

ANTARCTICA LIMITED

Annual Report 2005-06

Chairman and Managing Director

Ranjan Kuthari

Directors

Rohit Kuthari
Rajat Kothari
Tapan Majumdar
Tushar Ash

Renu Kuthari (Mrs)
N C Banerjee
Swapan Mukherjee

Registered Office

1A Vidyasagar Street
Kolkata 700 009
Ph : 033-23608308
033-23510564
Fax : 033-23507658
e-mail : antarctica@vsnl.net

Auditors

A. K. S. & Associates
Chartered Accountants
43/7 Bholanath Nandy Lane, Howrah-711104

Registrar & Share

Transfer Agent

Maheshwari Datamatics (P) Ltd.
6 Mangoe Lane
Kolkata - 700001
Ph : 2243 5809/5029
Fax : 2248 4787

Works

Falta SEZ
Sector 1, Plot No 1
24 Parganas (South)
West Bengal
132 A/1B Raja Rajendra Lal
Mitra Road,
Kolkata 700 010

Bankers

UCO Bank
2 India Exchange Place
Kolkata - 700001

Solicitors

Srenik Singhvi
Advocate
7C Kiran Shanker Roy Road
4th Floor
Kolkata 700 001

Antarctica Limited

Regd. Office : 1A, Vidyasagar Street, Kolkata - 700009

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of ANTARCTICA LIMITED will be held on Friday, the 28th September, 2006 at 11 a.m. at Rammohan Library Hall, 267, Acharya Prafulla Chandra Road, Kolkata-700009, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 2006, the Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. Rajat Kothari who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Renu Kuthari who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution** :
"RESOLVED THAT Mr. Tushar Ash be and is hereby appointed as a Director of the Company, whose period of office will be liable for determination by retirement of Directors by rotation."
6. To Consider and if thought fit, to pass with or without modification the following Resolution as a **SPECIAL RESOLUTION** :
"RESOLVED THAT pursuant to the guidelines issued by SEBI under the Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, dated 17th February 2003 and other applicable approvals and procedures which may become applicable hereafter governing the matter, the Company be and is hereby authorized to voluntarily apply for de-listing of its Equity shares from **The Calcutta Stock Exchange Association Ltd.** at such time as the Board of Directors (whether acting through the Board, a Committee of the Board or any Director or any person authorised by the Board) may, in their absolute discretion, consider appropriate and proper without giving an exit option to the shareholders of the region where the aforesaid Stock Exchange is situated and the Board of Directors of the Company be and are hereby authorized to do all necessary acts in pursuance with the above matter."

Registered Office:

1A, Vidyasagar Street, Kolkata 700 009.
26th August, 2006.

By Order of the Board
for **ANTARCTICA LIMITED**
RANJAN KUTHARI (CMD)

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies, in order to be effective, must be submitted to the Company's Registered Office not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2006 to 28th September, 2006 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the Company's / Share Transfer Agent.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. Shareholders desiring any information as regards the Accounts and/or Reports are requested to write to the Company atleast 10 days before the meeting so as to enable the Management to keep the information ready.
6. Members who have multiple accounts in identical names or joint accounts in the same order are requested to send their share certificate(s) to the Registrar & Share Transfer Agent, M/s Maheshwari Datamatics Pvt.Ltd., 6 Mangoe Lane, Kolkata 700 001, for consolidation of all such shareholdings into one account to facilitate better service.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed.

Explanatory Statement as Required under section 173(2) of the Companies Act, 1956.

Item No. 5 : Mr. Tushar Ash, aged 63 years, was appointed by the Board of Directors as an Additional Director, on 19th December, 2005. Mr. Ash has vast experience spanning over 40 years in the field of Printing & Packaging.

In terms of the applicable provisions of the Companies Act, 1956, and Article 97 of the Articles of Association of the Company, the aforesaid Director holds office upto the date of this Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956, along with requisite deposit, from a Member of the Company signifying his intention to propose the appointment of the said Director at the ensuing Annual General Meeting. The said Director has also filed his consent pursuant to the provisions of Section 264 (1) of the Companies Act, 1956, to act as a Director, if appointed.

The Board considers that the Company will benefit from the association of Mr. Tushar Ash and recommends the resolution for your approval. Excepting Mr. Tushar Ash, who is interested in his appointment, none of the Directors of the company is in any way concerned or interested in the said resolution.

Item No.6 : The Company's shares are presently listed on The National Stock Exchange of India Limited, and The Calcutta Stock Exchange Association Ltd. Please Note that letter for delisting of shares from Bombay Stock Exchange Ltd. & Delhi Stock Exchange Association Ltd. is yet to be received from these Exchanges.

SEBI through its guidelines known as Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, dated 17th February 2003 has permitted Companies to voluntarily delist its Shares from a Stock Exchange where the shares are listed for a period of more than 3 years provided, inter-alia, the Company is authorized by the Shareholders for making such an application for de-listing through a special resolution. The Board of Directors has decided to take steps to have the equity shares of the Company de-listed from The Calcutta Stock Exchange Association Ltd., as the volume of trading on this Stock Exchange is very low. The National Stock Exchange of India Limited, where the Company's shares will continue to be listed, has got nation-wide trading terminals and de-listing from The Calcutta Stock Exchange will not affect the trading of the shares by members located in any part of the Country.

The Board of Directors of your Company recommend passing of the resolution set out under item No. 6 as a Special Resolution. None of the Directors of the Company are interested or concerned in the Resolution.

Information required to be furnished under the listing agreement about the particulars of Directors who are proposed to be appointed / re-appointed at 14th AGM.

Item No. 2 of the Notice : Name : Mr. Rajat Kothari, Qualification : B. Com, Expertise : 11 years of experience in Company Affairs, Corporate Governance & Debt and Equity market. Other Directorships / Committee Memberships : Nil.

Item No. 3 of the Notice : Name : Mrs. Renu Kuthari, Qualification : Graduate, Expertise : Administration & Office Management. Other Directorships / Committee Memberships : Nil.

Item No. 5 of the Notice : Name : Mr. Tushar Ash, Qualification : Graduate. Expertise : 40 years of experience in Printing & Packaging. Other Directorships / Committee Memberships : Nil.

DIRECTORS' REPORT**DEAR MEMBERS,**

Your Directors are pleased to present the Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2006.

FINANCIAL PERFORMANCE

	(Rs in Lacs) year ended 31.3.2006	(Rs in Lacs) year ended 31.3.2005
Gross Sale	410.53	405.26
Other Income	0.81	19.64
Operating Profit	55.45	51.92
Less : Interest	42.79	40.45
Gross Profit	12.66	11.47
Less : Depreciation	102.57	119.34
Profit/(Loss) Before Tax	(89.91)	(107.87)
Less : Tax	0.00	0.00
Profit/(Loss) After Tax	(89.91)	(107.87)

CORPORATE GOVERNANCE

The Company has proper system of Corporate Governance. A separate report on Corporate Governance is enclosed as part of this Annual Report of the Company. A Certificate from the auditors confirming compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the report.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND RESEARCH & DEVELOPMENT

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, information regarding Conservation of Energy, Technology Absorption and Research & Development is not applicable to the Company.

ENVIRONMENT, SAFETY AND QUALITY CONTROL

Your Company does not produce any hazardous effluent or pollutions. Your Company has high priority highest safety standards in operations at all levels. It has a zero accidents record during the year. The Company has complied with Quality System Audit for ISO 9002 and has obtained the certification from KMAQA of Korea.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given as Annexure and form a part of this report.

INDUSTRIAL RELATIONS

The Company is maintaining cordial relation with staff and workers. The Company has maintained high standard of quality and work practices throughout the year.

PARTICULARS OF EMPLOYEES

The Company has no employee in respect of whom information as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars Of Employees) Rules 1975 is required to be annexed.

DIRECTORS

Mr. Tushar Ash was appointed as an Additional Director on 19th December 2005. Mr. Ash holds his office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with the requisite deposit from a Member in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. Tushar Ash as Director of the Company, at the forthcoming Annual General Meeting. Mr. Rajat Kothari and Mrs. Renu Kuthari, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Statement under Sub-Section (2AA) of Section 217 of the Act.

In the preparation of the Annual Accounts :

- i) the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given,
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period,
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- iv) the accounts have been prepared on a going concern basis,

AUDITORS & AUDITORS' REPORT

M/s A. K.S. & Associates, Chartered Accountants statutory auditors of the Company hold office until conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(IB) of the Companies Act, 1956.

The Auditors' Report read with the Notes on Accounts are self explanatory and therefore, do not call for any further comments.

ACKNOWLEDGEMENT

Your Directors express their sincere thanks and place on record their deep appreciation of the valuable patronage extended by the shareholders, valued customers, financial institutions, bankers, Government authorities and the Investors for their continued support and confidence in the Company. Your Directors also thank the employees for their support and for the confidence reposed in the future of this Company.

Date : 26th August, 2006
Place : Kolkata

For & On Behalf of the Board of Directors
Ranjan Kuthari
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Foreign Exchange Earnings and Outgo - Information under section 217(1)(e) of the Companies Act read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is given in the Notes to Account.

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Ranjan Kuthari	-	Chairman cum Managing Director
Rohit Kuthari	-	Executive Director
Rajat Kothari	-	Director
Renu Kuthari	-	Director
N. C. Banerjee	-	Director
Swapan Mukherjee	-	Director
Tapan Majumdar	-	Director
Tushar Ash	-	Director

COMMITTEES OF BOARD**Audit Committee**

N. C. Banerjee	-	Chairman
Swapan Mukherjee	-	Member
Tapan Majumdar	-	Member

Remuneration Committee

Swapan Mukherjee	-	Chairman
N.C. Banerjee	-	Member
Tapan Majumdar	-	Member

Shareholders / Investors Grievance Committee & Share Transfer Committee

Swapan Mukherjee	-	Chairman
Rajat Kothari	-	Member

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance:

1. Company's Philosophy on Corporate Governance

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable companies to maximise shareholders' value by attributing financial and human capital utilisation.

The business objective of the company is to manufacture and create value added services in such a way that they can be sustained over the long term for the benefit of consumers, shareholders, employees, business associates and the national economy.

As a responsible corporate citizen, it is the earnest endeavour of the Company to improve its focus on Corporate Governance by increasing accountability and transparency to its shareholders, bankers and customers.

2. Board of Directors**A) Composition**

The Board of Directors of the Company consists of 8 members, comprising :

- Three Executive Directors in the whole - time employment of the Company
- Five Non-Executive Independent Directors, drawn from amongst persons with experience in business, legal, finance, technology and management.

The Chairman cum Managing Director of the Board is an Executive Director.

B) Other Directorships/Committee Memberships held : (As on 26th August 2006)

Name of Director	Category	Directorships held in other Companies*		Committee Memberships held in other Companies**	
		As Director	As Chairman	As Member	As Chairman
Ranjan Kuthari	Executive	NIL	NIL	NIL	NIL
Rohit Kuthari	Executive	NIL	NIL	NIL	NIL
Rajat Kothari	Executive	NIL	NIL	NIL	NIL
Renu Kuthari	Non-Executive	NIL	NIL	NIL	NIL
N.C. Banerjee	Non-Executive	NIL	NIL	NIL	NIL
Tapan Majumdar	Non-Executive	NIL	NIL	NIL	NIL
Swapan Mukherjee	Non-Executive	NIL	NIL	NIL	NIL
Tushar Ash	Non-Executive	NIL	NIL	NIL	NIL

* Excludes Directorship held in Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies Act, 1956 and Memberships of Managing Committees of various Chambers/Institutions.

** Memberships/Chairmanships of Audit Committees, Shareholders' Grievance Committee and Remuneration Committee have been considered.

C) Board Meetings held during the year

During the financial year ended 31st March, 2006, Seven Board Meetings were held on 30th April 2005, 30th July 2005, 30th August 2005, 14th October 2005, 31st October 2005, 19th December 2005, & 31st January 2006.

D) Attendance of Directors at Board Meetings and last Annual General Meeting :

Name of Director	Meetings Attended	Attendance at last AGM
Ranjan Kuthari	7	YES
Rohit Kuthari	7	YES
Rajat Kothari	7	YES
Renu Kuthari	5	YES
N. C. Banerjee	4	YES
Swapan Mukherjee	5	NO
Tapan Majumdar	5	YES
Tushar Ash	2	NO

- E) Information about directors proposed to be appointed/re-appointed as required under clause 49VI (A) of the Listing Agreements with the Stock Exchanges is furnished under the Explanatory Statement to the Notice of the A.G.M.

3. Audit Committee

A) Terms of Reference

The Audit Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The broad terms of reference of the Audit Committee are to review with the Management and/or Internal Auditors and/or Statutory Auditors in the following areas :

- Overview of Company's financial reporting process and financial information disclosures;
 - Review with Management, the annual financial statement before submission to the Board;
 - Review with Management, external and internal Audit Reports, the adequacy of internal control systems;
 - Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the Company's policies and applicable laws and regulations;
 - Recommending the appointment and removal of external Auditors, fixation of Audit Terms.
- The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

B) Composition, name of members and Chairperson

The Audit Committee of the Company comprises three members, all of whom are "independent" Non Executive Directors. The names of the members of the Audit Committee, including its Chairman, are provided elsewhere in this Annual Report under the heading "Corporate Information".

C) Meetings and Attendance during the year

During the financial year ended 31st March, 2006, three meetings were held on 30th April 2005, 30th August 2005 and 30th October 2005 and the attendance were as under :

Name of Directors	Meetings Attended
N.C.Banerjee	3
Swapan Mukherjee	3
Tapan Majumdar	3

4. Remuneration Committee

The Committee comprises three non-executive directors, all of whom are independent directors. The names of the Members of the Committee, including its Chairman, are provided elsewhere in this Annual Report under the heading "Corporate Information."

Remuneration paid/payable to the Directors for the financial year ended 31st March, 2006:

Name of Director	Sitting Fees	Salary	Commission	Perquisites	(In Rs)
					Total
Ranjan Kuthari	NIL	4,84,913	NIL	NIL	4,84,913
Rohit Kuthari	NIL	1,56,832	NIL	NIL	1,56,832
Rajat Kothari	NIL	1,02,376	NIL	NIL	1,02,376
Renu Kuthari	NIL	NIL	NIL	NIL	NIL
N. C. Banerjee	NIL	NIL	NIL	NIL	NIL
Swapan Mukherjee	NIL	NIL	NIL	NIL	NIL
Tapan Majumdar	NIL	NIL	NIL	NIL	NIL
Tushar Ash	NIL	NIL	NIL	NIL	NIL

All remuneration paid/payable are within the ceiling prescribed under the provisions of the Companies Act, 1956.

- Except the Managing Director, all the members of the Board are liable to retire by rotation. The appointment of the Executive Directors is governed by the resolutions passed by the Board and the members, which cover the terms and conditions of such appointment read with the service rules of the Company.
- The Company does not currently have a stock option plan or performance linked incentives for its Directors.
- No Severance Fee is payable

5. Shareholders'/Investors' Grievance Committee & Share Transfer Committee

A) Composition

The Shareholders'/Investors' Grievance Committee comprises two Directors. The Chairman is a Non-Executive Director. The names of the Members of the Committee, including its Chairman, are provided elsewhere in this Annual Report under the heading "Corporate Information."

Mr. Subhas Ganguly, Secretarial Officer, has been designated as the "Compliance Officer".

B) Status of Transfers

66700 shares were received and were processed for transfer during the year ended 31st March 2006. There were no pending share transfers as on 31.3.2006.

C) Complaints

During the year ended 31.3.2006, the Company received 17 nos. complaints from shareholders relating mainly to non-receipt of Annual Reports/transferred shares, etc. The Company has duly redressed all the grievances received till 31.3.2006 to the satisfaction of the members.

6. General Body Meetings

A) Particulars of last three Annual General Meetings

AGM	Year Ended	Venue	Date	Time
13th	31.03.2005	Rammohan Library Hall, 267, Acharya Prafulla Chandra Road, Kolkata - 9	30.09.2005	11.00 am
12th	31.03.2004	Eastern Zonal Cultural Centre, 'Aikatan', IA-290, Sector III, Salt Lake City, Kolkata - 91	29.09.2004	11.00 am
11th	31.03.2003	Eastern Zonal Cultural Centre, 'Aikatan', IA-290, Sector III, Salt Lake City, Kolkata - 91	30.09.2003	11.00 am

No Special Resolution requiring Postal Ballot was placed before the last Annual General Meeting. No Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

- B) No Extra-Ordinary General Meeting was held during the last 3 years.

7. Disclosure

- A) The Company did not have any materially significant related transactions, which may have potential conflict with the interest of the Company.

- B) There is no transaction of a material nature with any of the related party, which was in conflict with the interest of the Company.
 C) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.

8. Means of communication

The quarterly financial results published in the proforma prescribed under the Listing Agreements are approved and taken on record within one month of the close of the relevant quarter. The approved results are thereafter sent to the Stock Exchanges and also published within 48 hours in the media normally in one English and Bengali Newspaper.
 All material information about the company is promptly sent through fax to the Stock Exchanges where the company's Shares are listed. The Company does not have a website of its own.
 The Management Discussion and Analysis Report has been annexed to the Directors' Report.

9. General Shareholder information

- i) AGM date, time and venue : 28.09.2006 at 11am
 ii) Financial year : 1st April 2005 to 31st March 2006
 iii) Book closure date : 22nd Sept 2006 to 28th Sept 2006 (both days inclusive.)
 iv) Tentative calendar of events for the financial year 2006-07 (April-March), is given below :
 Unaudited financial results for :
 First quarter - July, 2006
 Second quarter - October, 2006
 Third quarter - January, 2007
 Fourth quarter - April, 2007
 v) Dividend payment date : Since the company does not have profit, the Board of Directors have not recommended any dividend.
 vi) Listing on stock exchange : (a) National Stock Exchange, Mumbai.
 (b) The Calcutta Stock Exchange Association, Kolkata.
 (c) The Stock Exchange Mumbai, Mumbai. (Applied for delisting)
 (d) The Delhi Stock Exchange, (Applied for delisting)
 The Company has paid listing fees to National Stock Exchange for the year 2005-2006.
 vii) Stock Code : ANTGRAPHIC EQ--NSE
 viii) ISIN code : INE 414B 01021
 ix) Market Price data
 The details of monthly highest and lowest closing quotations of the equity shares of the Company at the National Stock Exchange during financial year 2005-06 are as under :

Quotation at National Stock Exchange

Month	High (Rs.)	Low (Rs.)
April, 2005	4.20	2.70
May, 2005	4.90	2.55
June, 2005	5.25	3.45
July, 2005	7.05	3.65
August, 2005	9.40	5.05
September, 2005	9.00	6.00
October, 2005	6.95	4.15
November, 2005	6.00	4.35
December, 2005	7.00	4.45
January, 2006	0.70	0.45
February, 2006	0.55	0.40
March, 2006	0.45	0.30

Note : The face value of Rs. 10.00 per Equity Share of the Company has been sub-divided into 10 Equity Shares of Re. 1 each w.e.f 16.01.2006.

- ix) Registrar and Transfer Agents M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, Kolkata-700 001. are acting as Registrar and Share Transfer Agent of the Company.
 x) Share transfers are generally registered and returned within the stipulated period from the date of receipt, if the documents are clear in all respects, Officers of the Registrars have been authorised to approve transfers and the same are also approved by the Committee of Directors.
 xi) Distribution of shareholding
 As on : 31.03.2006

S.No	No. of shares holders	No. of shares	% of shareholding
1 to 500	338	77,005	0.569
501 to 1000	6,478	64,67,759	4.7800
1001 to 2000	2,421	47,97,980	3.5459
2001 to 3000	869	25,72,876	1.9015
3001 to 4000	459	18,21,055	1.3458
4001 to 5000	1521	75,90,947	5.6101
5001 to 10000	1510	1,33,61,447	9.8747
10001 and Above	1224	9,86,20,531	72.8851
Total	14,850	13,53,09,600	100.0000

xii) Shareholding pattern

Category	% of Holding
Promoters	38.08
OCBS/FII/NRI	0.68
Financial Institution/Mutual Funds/ Banks/Govt. Companies	0.57
Other Corporate Bodies	7.85
Public	52.82
Total	100.00

xiii) Dematerialization of equity shares

The Company's shares are currently traded only in dematerialized form at two stock exchanges namely National, and Calcutta. To facilitate trading in dematerialized form the Company has entered into agreements with both the depositories namely National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure & Development

Indian Packaging Industry has a very broad base with many tiny, small, medium and large sector units. Total capacity available in all the above sectors is around 3.70 Million Metric Tons, which by 2006-07 is expected to increase to 4.50 million Metric Tons. Though there is consistent growth in demand of packaging, the scenario in Eastern India - demand is lagging behind compared to the growth in the rest of the country, reason being, no new Industry coming up and shifting of industries from this region to other parts of the country, including North Eastern states.

Positive thing about this is that it has reached the bottom as far as Eastern India is concerned and hence cannot go down further in demand. Paper, Paper Board & Packaging material scenario continues to be bright as more and more plastic materials are being discarded and hence the temporary set-back will soon be overcome and growth of the Industry expected to be normal in this region very soon.

2. Opportunities & Threats**2.1. Opportunity**

Though the general economic situation, particularly the export segment of Tea remains depressed basically due to Russian Union countries going in for bulk rather than packed ones and then with the Iraq war, the off take of Arabian countries has also declined. Now with this being neutralized the industry is looking forward for a turnaround in near future.

2.2. Threats

- i) Higher domestic cost of power & fuel and a large component of domestic taxes in cost of production have made the product somewhat uncompetitive in the export as also in the domestic market.
- ii) Some multinational export houses have preferred to import their packaging materials without payment of import duties and this is an additional threat for the industry's performance.
- iii) With the FEPZ changing to FSEZ this has resulted in rather impossible situation of domestic sale on account of the duty leviable on the domestic sale which has almost jumped to 50% compared to 16% Excise Duty chargeable by DTA manufacturers. Hence even producing from indigenous raw materials, supplies to DTA area will be very costly and hence the market of that segment has become non-existent.

3. Segmentwise/productwise performance.

The Company is a Paper-based Packaging & Publishing product manufacturer and there is no other product segment.

4. Outlook

The Company, in keeping along the recent trend of Consumer friendly pack, has geared themselves for producing the same in their factory. Presently, the Company is manufacturing printed packaging cartons / boxes of international standard and specification.

Having received its ISO certification, the company has engaged in continuous monitoring of its manufactured quality and has setup a self-sufficient laboratory for the same.

With the improvement of demand in exports, the company expects to fulfill its goal to serve the consumer industry in the best way possible.

5. Risk and Concerns

In order to be more competitive in the overseas market, the Tea-exporters are trying to offer more favourable price, which eventually is reflected in their buying of packaging items at a lower price. Therefore, the company as also the industry at large is unable to pass on the hike in cost of power, fuel, labour etc. to the consumer, which adversely impacts profitability.

6. Internal Control Systems and their adequacy

The company has adequate internal control systems, which are reviewed by the Management and the internal auditors through quarterly audit of various areas of Company's operations to ensure that the systems are being properly complied with and transparency is maintained. The observations of the Auditors along with company's replies are placed before the Audit Committee of the Directors on regular basis for reviewing their adequacy.

7. Financial performance with respect to operational performance.

Because of a depressed export market, the capacity utilization as per target could not be achieved and the company was obliged to have a restricted manufacturing operation.

In line with the current trend, the company has implemented several cost control measures to offset increase in production cost. It has identified further possibility of cost reduction with some capital investment, which will be executed as soon as the marketing scenario turns better.

8. Material developments in Human resources / Industrial Relations front, including number of people employed.

In order to achieve full utilization of equipment potential and inculcate proper operation and maintenance practices, the company's personnel are exposed to latest ideas and concepts through various in-house as well as external training programmes of reputed Institutes within its financial limitations. Interactions amongst plant personnel on a daily basis also improve sensitivity about the plant, which helps in better identification of plant problems and their resolutions and also in identifying areas of cost reduction. The Industrial Relations remained cordial during the year under report. The total number of permanent employees was 45 as on 31.3.2006

Date : 26th August, 2006

Place : Kolkata

For & On Behalf of the Board of Directors

Ranjan Kuthari

Chairman & Managing Director

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges to further strengthen corporate governance practices in the company.

All the members of the Board and Senior Management Personnel of the company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2006.

For & On Behalf of the Board of Directors

Ranjan Kuthari

Chairman & Managing Director

Date : 26th August, 2006

Place : Kolkata

AUDITORS' CERTIFICATE

To
The Members of Antarctica Limited

We have examined the compliance of conditions of corporate governance by **ANTARCTICA LIMITED**, for the year ended 31st March, 2006, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 the 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 abovementioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2006 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and its Registrar and Transfer Agents and presented to the Shareholders/Investors Relation Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

26th August, 2006

Howrah

For A.K.S. & Associates

A.K. Samanta

Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS

To
The Members,
ANTARCTICA LIMITED.

1. We have audited the attached Balance Sheet of M/S. ANTARCTICA LIMITED of 1A, Vidyasagar Street, Kolkata-9, as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date annexed hereto, and the Cash Flow Statement for the year ended on that date, which signed under the reference to this report. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform 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 accounts 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, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 of India ("The Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give the attached Annexure, a statement on the matters specified in Paragraph 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books of the company;
 - c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of accounts of the company;
 - d) In our opinion, the Profit & Loss Account and Balance Sheet have been prepared in compliance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India referred to in Section 211 (3C) of the Companies Act, 1956 ("The Act")
 - e) As per information furnished to us, none of the Directors of the Company is disqualified from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss account together with the notes annexed thereto give in the prescribed manner, the information required by the Companies Act, 1956 and also give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In so far as it relates the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006.
 - ii) In so far as it relates to the Profit & Loss Account, of the Loss of the Company for the year ended on that date.
- A N D
- iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Annexure to the Auditor's Report

(Referred to in Paragraph 3 of our Report of even date)

- 1) The company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets. The Assets are physically verified by the management in a phased manner. We have been informed that no material discrepancies were noticed on such physical verifications. Substantial part of the fixed assets have not been disposed of during the year, which will affects its status as going concern.
- 2) The stocks of inventory has been physically verified by the management during the year at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records, were not material, however the same have been properly dealt with in the books of account.
- 3) The company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under Section 301 of the Act.
- 4) In our opinion, there is adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- 5a) On the basis of our examination of the books of account, the Company has not entered into any transactions exceeding five lakh rupees in respect of any party during the financial year that need to be entered in the register pursuant to the Section 301 of the Act.
- 5b) In view of our comment in paragraph 5 (a) above, clause (v) (b) of Paragraph 4 of the aforesaid Order is not applicable.
- 6) The company has not accepted any deposits under provision of Section 58A and 58AA of the Act and the rules framed thereunder.

- 7) In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
- 8) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1) (d) of the Companies Act, 1956 for its products.
- 9a) The Company is regular in depositing undisputed statutory dues including the Employees' State Insurance, Investors Education and Protection Fund, Provident Fund, Sales Tax, Excise Duty, Customs Duty, Service Tax, Cess and other statutory dues with the appropriate authorities within specified time, where it is applicable.
- 9b) Demand of Sales Tax of Rs. 6.5 lacs has been disputed by the Company and the appeal is pending in Kolkata High Court and/or DCCT, Kolkata.
- 10) The Company has accumulated losses as at 31-03-2006. The Company has incurred cash losses in the financial year under report.
- 11) The Company has not defaulted in repayment of dues to financial institutions, or Banks or debentures holders.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15) The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16) On the basis of review of utilisation of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company were applied for the purposes for which they were obtained.
- 17) On the basis of review of utilisation of funds on overall basis, related information as made available to us and as represented to us by the management, funds raised on short term basis have not been used for long term investment and vice versa during the year.
- 18) 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 during the year.
- 19) The Company need not create any related debenture trust deed as the company has no debentures.
- 20) The Company in the recent past has not raised any money by public issue.
- 21) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

**Dated, Howrah the
26th August, 2006**

**For A.K.S. & ASSOCIATES,
(A.K.SAMANTA)
CHARTERED ACCOUNTANTS**

Profit & Loss Account for the year ended 31st March' 2006

	Schedule No	Year ended 31st March' 2006 Rupees	Year ended 31st March' 2005 Rupees
Income			
Sales	12	4,10,53,200.00	4,05,25,764.10
Other Income	13	81,103.00	19,64,326.89
		<u>4,11,34,303.00</u>	<u>4,24,90,090.99</u>
Expenditure			
Consumption of Raw Materials	14	2,22,61,231.90	2,10,53,842.73
Excise Duty		6,01,016.00	1,54,895.00
Salaries & Wages	15	33,19,964.54	37,86,544.15
Other Manufacturing Expenses	16	53,74,042.63	73,90,605.26
Administrative Expenses	17	22,99,320.22	29,32,824.00
Selling Expenses	18	17,33,877.16	19,79,654.53
Interest	19	42,79,174.27	40,45,089.28
Depreciation	5	1,02,57,114.00	1,19,33,509.00
		<u>5,01,25,740.76</u>	<u>5,32,76,963.95</u>
Profit Before Tax		89,91,437.76	(-) 1,07,86,872.96
Add: Balance of Loss b/f from last year.		5,91,81,185.20	(-) 4,83,94,312.24
Balance of Loss carried to Balance Sheet		<u>6,81,72,622.96</u>	(-) 5,91,81,185.20

Notes to Accounts.

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Schedules 12 to 19 and 20 form as integral part of this Balance Sheet.

This is the Profit & Loss Account referred to in our report of even date annexed.

As per our report of even date

For A K S & Associates

Chartered Accountants

A K Samanta

Howrah, 26th August' 2006

For & on behalf of the Board

Ranjan Kuthari

Managing Director

Rohit Kuthari

Executive Director

Kolkata, 26th August' 2006

Schedules Forming Part of the Balance Sheet as at 31st March' 2006

	Year ended 31st March' 2006 (Rupees)	Year ended 31st March' 2005 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
22,00,00,000 Equity Shares of Re 1/- each	22,00,00,000.00	22,00,00,000.00
Issued, Subscribed & Paid Up :		
12,03,09,600 Equity Shares of Re 1/- each fully called & paid up of which 80,83,500 Equity Shares @ Re 1/- each issued for consideration other than Cash and 72,75,600 Equity Shares of Re 1/- each issued as Bonus Shares, 1,19,50,000 equity shares @ Re 1/- each and 1,50,00,000 Equity Shares of Re 1/- each issued for consideration by conversion of Unsecured loan from Directors	13,53,09,600.00	12,03,09,600.00
	<u>13,53,09,600.00</u>	<u>12,03,09,600.00</u>
SCHEDULE : 2		
RESERVE & SURPLUS		
Profit & Loss A/C Bal. (Dr. Bal.)	(5,91,81,185.20)	(-) 4,83,94,312.24
Add : Net loss for the year	(89,91,437.76)	(-) 1,07,86,872.96
	<u>(6,81,72,622.96)</u>	<u>(5,91,81,185.20)</u>
SCHEDULE : 3		
SECURED LOANS		
Loans	12,14,57,023.51	9,91,99,645.51
Working Capital	1,44,40,569.73	3,29,44,938.11
Car Loan	6,89,313.75	6,29,507.03
	<u>13,65,86,906.99</u>	<u>13,27,74,090.65</u>
SCHEDULE : 4		
UNSECURED LOANS		
From Directors & Share Holders	72,15,513.68	1,85,53,345.68
	<u>72,15,513.68</u>	<u>1,85,53,345.68</u>

SCHEDULE 5 : FIXED ASSETS AS ON 31ST MARCH 2006

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost As on 01.04.2005	Addition (Deletion)	Total As on 31.3.2006	As on 01.04.2005	Provided For the Year	Total As on 31.3.2006	W.D.V. As on 31.03.2006	W.D.V. As on 31.3.2005
1. BUILDING								
A) Existing Unit	49,26,743.63		49,26,743.63	28,89,787.05	1,01,848.00	29,91,635.05	19,35,108.58	20,36,956.58
B) FSEZ	1,44,13,008.99		1,44,13,008.99	85,72,541.34	2,92,023.00	88,64,564.34	55,48,444.65	58,40,467.65
2. PLANT & MACHINERY								
A) Existing Unit	3,11,05,301.04		3,11,05,301.04	2,91,45,074.95	2,72,667.00	2,94,17,741.95	16,87,559.09	19,60,226.09
B) FSEZ	1,76,278,209.83		1,76,278,209.8	11,10,81,925.84	90,68,803.00	120150728.84	56127480.99	65,196,283.99
3. ELECTRICAL INSTALLATION								
A) Existing unit	45,451.86		45,451.86	44,308.11	159.00	44467.11	984.75	1,143.75
B) FSEZ	14,60,211.02		14,60,211.02	11,28,826.69	46,096.00	11,74,922.69	2,85,288.33	3,31,384.33
4. AIR CONDITIONER								
A) Existing Unit	3,44,535.80		3,44,535.80	2,74,005.27	9,811.00	2,83,816.27	60,719.53	70,530.53
B) FSEZ	2,02,250.00	60000.00	2,62,250.00	1,48,052.26	7,539.00	1,55,591.26	46,658.74	54,197.74
5. FURNITURE & FIXTURES								
A) Existing Unit	2,41,932.11		2,41,932.11	2,12,630.57	5,304.00	2,17,934.57	23,997.54	29,301.54
B) FSEZ	5,200.00		5,200.00	4,179.48	185.00	4364.48	835.52	1,020.52
6. MOTOR VEHICLE								
A) Existing Unit	9,06,353.55		9,06,353.55	8,69,858.34	9,449.00	8,79,307.34	27,046.21	36,495.21
B) FSEZ	57,87,806.76	5,73,027.00	63,60,833.76	44,09,868.90	3,56,748.00	47,66,616.90	10,21,189.86	13,77,937.86
7. COMPUTERS								
A) Existing Unit	36,42,567.00	38,450.00	36,81,017.00	32,96,206.79	53,527.00	33,49,733.79	2,92,833.21	3,46,360.21
8. OFFICE EQUIPMENTS								
A) Existing Unit	9,70,832.46		9,70,832.46	7,41,064.35	31,961.00	7,73,025.35	1,97,807.11	2,29,768.11
B) FSEZ	30,500.00		30,500.00	23,350.80	994.00	24,344.80	6,155.20	7,149.20
Total for the Year	24,03,60,904.05	6,71,477.00	241032381.05	16,28,41,680.74	1,02,57,114.00	173098794.74	679,33,586.31	7,75,19,223.31
Total for the P.Y.	23,97,62,204.05	598700.00	240360904.05	15,09,08,171.74	11933509.00	162841680.74	77519223.31	8,88,54,032.31

	Year ended 31st March 2006 (Rupees)	Year ended 31st March 2005 (Rupees)
SCHEDULE 6		
INVENTORIES		
Work In Progress	67,76,107.00	36,36,017.00
Finished Goods	55,82,215.00	98,57,110.00
LDPE		2,58,475.00
Others	5,09,102.00	8,69,903.00
Chemicals	9,42,073.00	9,68,203.00
Film	9,03,157.00	7,55,007.00
Paper	2,74,29,010.00	2,46,52,177.00
Plate	2,60,212.00	3,89,705.00
Ink	28,73,277.00	28,18,565.00
	<u>45,275,153.00</u>	<u>4,42,05,162.00</u>
SCHEDULE 7		
SUNDRY DEBTORS		
Unsecured But Considered Good Debts Outstanding for more than six months	4,27,02,567.62	4,02,89,109.74
Others Debts	2,02,86,288.00	1,29,62,801.14
	<u>62,988,855.62</u>	<u>5,32,51,910.88</u>
SCHEDULE 8		
CASH & BANK BALANCES		
Cash in Hand (Certified)	4,04,071.54	4,35,725.46
Balances with Scheduled Banks:		
In Current A/C	49,964.79	84,204.48
In Deposit A/C	62,84,854.98	62,81,854.98
In Refund A/C	10,71,015.00	10,71,015.00
	<u>78,09,906.31</u>	<u>78,72,799.92</u>
SCHEDULE 9		
LOANS & ADVANCES		
Advance C.S.T	75,057.00	75,057.00
Security Deposit	47,000.00	39,000.00
Bonus (Advance)	43,740.00	43,740.00
Advance with Public Bodies	10,99,769.00	14,49,769.00
Other Advances	10,93,999.37	10,73,762.37
Tax Deducted at Source	3,30,381.12	2,98,903.12
Security Deposit (CESC)	65,492.00	62,147.00
Margin Money (UCO Bank)	45,01,835.00	58,64,489.00
Realisable duty of Central Excise	14,04,252.00	14,04,252.00
	<u>86,61,525.49</u>	<u>1,03,11,119.49</u>
SCHEDULE 10		
CURRENT LIABILITIES & PROVISIONS :		
Sundry Creditors for Goods	52,42,558.95	50,67,797.94
Sundry Creditors for Expenses	36,67,821.97	27,68,548.43
Other Liabilities	1,90,000.00	1,90,000.00
	<u>91,00,380.92</u>	<u>80,26,346.37</u>
SCHEDULE 11		
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses (To the extent not written off)	5760.00	5,760.00
Deferred revenue expenditure	2,73,64,991.90	2,73,16,221.90
	<u>2,73,70,751.90</u>	<u>2,73,21,981.90</u>

For & on behalf of the Board

As per our report of even date
For A K S & Associates
Chartered Accountants
A K Samanta
Howrah, 26th August' 2006

Ranjan Kuthari
Managing Director
Rohit Kuthari
Executive Director
Kolkata, 26th August' 2006

**Schedule Forming Part of the
Profit & Loss A/c for the year ended 31st March, 2006**

	Year ended 31st March 2006 (Rupees)	Year ended 31st March 2005 (Rupees)
SCHEDULE 12		
SALES		
Domestic	88,69,151.43	91,18,333.45
Exports	3,21,84,048.57	3,14,07,430.65
	<u>41,053,200.00</u>	<u>4,05,25,764.10</u>
SCHEDULE 13		
OTHER INCOME		
Provision For Sales Tax Realisation	---	1,67,224.00
Discount Received	---	27,340.64
Interest on Margin Money	60,236.00	15,77,736.00
Interest From Employee's Loan	992.00	4,981.00
Subsidy From Capexil	---	95,250.00
Exchange Fluctuation	19,875.00	14,946.48
Prior Period Adjustment	---	76,848.77
	<u>81,103.00</u>	<u>19,64,326.89</u>
GROSS INCOME (12 + 13)	41,134,303.00	42,490,090.99
SCHEDULE 14		
CONSUMPTION OF RAW- MATERIALS,		
W.I.P & Finished Goods		
A) STOCK at commencement		
Chemical	9,68,203.00	9,28,734.00
Film	7,55,007.00	8,75,641.00
Paper	2,46,52,177.00	2,45,78,106.00
Plate	3,89,705.00	1,01,770.00
Finished Goods	98,57,110.00	1,04,25,805.00
Ink	28,18,565.00	36,19,303.00
W.I.P	36,36,017.00	12,97,734.00
Consumable	---	---
Others	8,69,903.00	9,13,487.00
LDPE	2,58,475.00	2,58,475.00
	<u>4,42,05,162.00</u>	<u>4,29,99,055.00</u>
B. PURCHASE		
Chemical	1,56,777.00	3,49,463.93
Film	28,53,868.30	27,62,763.74
Consumables (incl. LDPE)	11,35,206.58	9,93,947.85
Ink	9,77,873.45	7,00,944.00
Paper	1,71,35,325.66	1,59,64,145.81
Plate	4,71,708.91	7,05,269.00
Others (Adhesive/Varnish a/c)	6,00,463.00	7,83,415.40
Tea	---	---
	<u>2,33,31,222.90</u>	<u>2,22,59,949.73</u>
C. CLOSING STOCK		
Work In Progress	67,76,107.00	36,36,017.00
Finished Goods	55,82,215.00	98,57,110.00
LDPE	---	2,58,475.00
Chemical	9,42,073.00	9,68,203.00
Film	9,03,157.00	7,55,007.00
Paper	2,74,29,010.00	2,46,52,177.00
Plate	2,60,212.00	3,89,705.00
Ink	28,73,277.00	28,18,565.00
Others	5,09,102.00	8,69,903.00
	<u>4,52,75,153.00</u>	<u>4,42,05,162.00</u>
TOTAL (A+B-C)	<u>2,22,61,231.90</u>	<u>2,10,53,842.73</u>
SCHEDULE 15		
SALARIES & WAGES		
Salaries & Wages	20,44,223.68	22,93,812.80
Director's Remuneration	7,44,121.00	7,51,470.00
Bonus & Ex-Gratia	2,74,914.00	3,66,614.00
Provident Fund & ESI	2,56,705.90	3,74,647.35
	<u>33,19,964.58</u>	<u>37,86,544.15</u>

	Year ended 31st March 2006 (Rupees)	Year ended 31st March 2005 (Rupees)
SCHEDULE 16 : OTHER MANUFACTURING EXPENSES		
Electric Charges	20,33,166.00	28,20,835.00
Paper Cutting/Creasing/Lamination etc.	16,632.00	6,247.00
Processing Charges	57,315.49	3,27,592.00
Carriage Inward	26,939.00	29,068.00
Other Factory Expenses	88,387.75	1,49,312.50
Subcontract Job	22,32,728.00	24,59,996.20
Plant & Machinery Maintenance	3,99,150.78	4,92,609.56
Factory Rent/License	2,100.00	1,350.00
Building Maintenance	16,650.75	29,790.50
Insurance	2,97,641.00	3,95,183.00
Packaging Materials	2,03,331.86	6,78,621.50
	53,74,042.63	73,90,605.26
SCHEDULE 17 : ADMINISTRATIVE EXPENSES		
Bank Charges	63,029.20	66,414.58
Books & Periodicals	1,864.00	1,740.00
Conveyance	1,60,888.92	2,84,599.86
Data processing Expenses	631.00	2,471.00
General Expenses	72,969.59	49,968.72
Office Maintenance	4,551.00	66,625.00
Vehicle Maintenance & Running (Petrol & Car Expenses)	8,17,715.92	7,60,367.33
Postage	0.00	---
Printing & Stationery	55,238.00	79,994.00
Sales Tax	35,318.85	82,758.91
Incidental Expenses	97,856.09	2,36,151.00
Subscription & Donation	6,589.00	7,423.00
Retainership Fees	4,129.00	8,934.00
Telephone Charges	18,000.00	18,000.00
Auditor's Remuneration	1,51,525.15	2,52,717.00
Rent	64,000.00	64,000.00
Exchange Fluctuation	18,300.00	57,600.00
Professional Charges	---	---
Legal Charges	1,09,929.00	1,76,976.00
Medical Expenses	77,165.00	2,74,282.00
Service Charges to Registrar	7,500.00	32,329.00
Stock Exchange Fees	1,38,568.00	1,25,209.00
Membership Fees	61,812.00	58,000.00
Staff Fooding	19,515.00	44,022.61
Internal Audit & other fees	1,44,651.00	1,42,296.50
Profession Tax (Trade & Employees)	26,200.00	26,200.00
Prior Period Adjustment	4,060.00	4,090.00
Trade Licence	2,333.70	---
Service Tax	8,770.00	8,770.00
Processing Ch. Restructuring Limit	1,925.80	884.49
	1,24,285.00	
	22,99,320.22	29,32,824.00
SCHEDULE 18 : SELLING EXPENSES		
Commission on Sales	16,000.00	2,72,334.25
Advertisement	24,040.00	31,142.00
Business Promotion Exp.	5,04,124.74	3,88,049.68
Delivery Charges	9,89,060.00	11,78,352.90
Seminar Expenses	99,650.00	11,077.20
Premium of ECGC	83,258.00	69,925.00
Licence Fees for Export	NIL	2,206.50
Insurance for Export	13,304.00	26,567.00
Rebate and Discount	4,440.42	NIL
	17,33,877.16	19,79,654.53
SCHEDULE 19 : INTEREST		
On Term Loan	6,62,220.00	---
On Working Capital Loan	22,61,745.00	27,22,044.00
On Car Loan	29,257.73	54,531.28
On Bill Discounting	2,08,238.00	2,26,329.00
On Packing Credit	11,17,713.54	10,42,185.00
	42,79,174.27	40,45,089.28

As per our report of even date
For A K S & Associates
Chartered Accountants
A K Samanta
Howrah, 26th August' 2006

For & on behalf of the Board
Ranjan Kuthari
Managing Director
Rohit Kuthari
Executive Director
Kolkata, 26th August' 2006

**SCHEDULE 20
NOTES ON ACCOUNT**

1. Significant Accounting Policies

a. Fixed Assets & Depreciation

- (i) Fixed Assets are stated at cost of acquisition or construction less Depreciation. All costs, attributable to bring the Fixed Assets to working condition are capitalised.
- (ii) Depreciation on all Fixed Assets is provided at Written Down Value Method at the rate specified in Schedule XIV of the Companies Act, 1956.

b. Inventories

- (i) Raw Materials, Components, Stores and Consumables are valued at weighted average cost.
- (ii) Finished Goods & Work-In-Progress are valued at weighted average cost of raw materials & the cost of conversion thereof for bringing the inventories upto the present condition or net realisable value, whichever is low.

c. Foreign Currency Transactions

Foreign Currency transactions are recorded at the exchange rates prevailing on the respective date of transactions. All other foreign currency transactions are restated at the rates ruling at the period end and all exchange losses/gains arising there from are adjusted to the Profit and Loss Account.

d. Revenue Recognition

- (i) All Income and Expenditure are accounted for on accrual basis except otherwise stated in consonance with the generally accepted accounting principles.
- (ii) The Company has no system for actuarial valuation of gratuity and not provided for accrued liabilities as on 31st March, 2006 in respect of future payment of gratuity to employees.

2. Secured Loans

(i) Rupee Loan

The Rupee Loans including overdue interest under the head Secured Loans has been shown provisionally as per previous years accounts which is adjustable with the Foreign & Indian Insurance claim or otherwise awaiting confirmation. Hence no interest on the said loan has been provided for in the accounts.

(ii) Cash Credit

Borrowing for working capital is secured by hypothecation of Stock-In-Trade, Book debts & Fixed Deposits.

3) Contingent Liabilities

Contingent Liabilities are not provided for and are disclosed by way of notes below :

- a) i) Bill of Exchange discounted Rs. 34.62 (Rs. 34.25 lacs as on 31.03.2005)
- ii) Bank Guarantee outstanding Rs. 5.88 (Rs. 5.88 lacs as on 31.03.2005)
- b) Additional information pursuant to the provision of paragraph 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.
- i) Licensed & Installed Capacity and Actual Production.

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		31.03.06	31.03.05	31.03.06	31.03.05	31.03.06	31.03.05
Paper, Paper Board & Publication Materials	M.T.	5250	5250	1775	1775	706	708

ii) Particulars in respect of Sales

Class of Goods	Quantity (in M.T.)		Value (in Rs.) lacs	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005
Paper, Paper Board & Publication Materials	664	668	410.53	405.25

iii) Details of Finished goods

Class of Goods	Quantity (in M.T.)		Value (in Rs.) lacs	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005
Stock at commencement	95.06	186.87	98.57	104.25
Stock at closing	103.80	95.06	55.82	98.57

iv) Details of Raw Materials consumed

a) STOCK AT COMMENCEMENT

Raw Materials

ITEMS	Unit	Quantity		Value	
		2005-2006	2004-2005	2005-2006	2004-2005
Chemicals	Ltr.	12,565.90	11,979.90	9,68,203.00	9,28,734.00
Film	Kgs.	7,440.80	14,285.95	7,55,007.00	8,75,641.00
Paper & Board	M.T.	985.89	870.35	2,46,52,177.00	2,45,78,106.00
Plate	Pcs.	3,104.00	1,054.00	3,89,705.00	1,01,770.00
Ink	Kgs.	2,07,091.00	6,125.40	28,18,565.00	36,19,303.00
Others	----	----	----	8,69,903.00	9,13,487.00
LDPE	Kgs.	4,411.70	4,411.70	2,58,475.00	2,58,475.00
Finished Goods	M.T.	95.06	186.67	98,57,110.00	1,04,25,805.00
Work-in-progress	M.T.	78.12	33.12	36,36,017.00	12,97,734.00
				4,42,05,162.00	4,29,99,055.00

b) PURCHASES

Raw Materials

ITEMS	Unit	Quantity		Value	
		2005-2006	2004-2005	2005-2006	2004-2005
Chemicals	Ltr.	3,315.37	4,194.00	1,58,777.00	3,49,463.93
Film	Kgs.	57,354.20	42,823.00	28,53,868.30	27,62,763.74
Consumables (incl. LDPE)	----	----	----	11,35,206.58	9,93,947.85
Ink	Kgs.	5,002.09	1,051.00	9,77,873.45	7,00,944.00
Paper & Board	M.T.	595.11	555.55	1,71,35,325.66	1,59,64,145.81
Plate	Pcs.	4,186.00	7,089.00	4,71,708.91	7,05,269.00
Others	----	----	----	6,00,463.00	7,83,415.40
				2,33,31,222.90	2,22,59,949.73

c) STOCK AT CLOSE

Chemicals	Lts.	12,177.00	12,565.90	9,42,073.00	9,68,203.00
Film	Kgs.	14,481.00	7,440.80	9,03,157.00	7,55,007.00
Paper & Board	M.T.	1,124.65	985.89	2,74,29,010.00	2,46,52,177.00
Plate	Pcs.	2,054.00	3,104.00	2,60,212.00	3,89,705.00
Ink	Kgs.	1,835.00	2,070.91	28,73,277.00	28,18,565.00
Others	----	----	----	5,09,102.00	8,69,903.00
LDPE	Kgs.		4,411.70	---	2,58,475.00
Finished Goods	M.T.	103.80	95.06	55,82,215.00	98,57,110.00
Work-in-progress	M.T.	56.49	78.12	67,78,107.00	36,36,017.00
				4,52,75,153.00	4,42,05,162.00

v) Expenditure in Foreign Currency (CIF)

1) Import (Raw materials & Components)

ITEMS	2005-2006		2004-2005	
	FC	INR	FC	INR
EURO (Raw Material)	4,171.74	2,22,141.00	2,640.00	1,42,560.00
EURO (Components)	1,281.00	74,614.00	3,715.35	2,09,186.00

vi) Auditor's Remuneration

	Year Ended 31.03.2006 Rupees	Year Ended 31.03.2005 Rupees
Fees paid or payable to Auditors		
i. Audit Fees	38,570.00	38,570.00
ii. Tax Audit Fees	16,530.00	16,530.00
iii. Company Law, Certification & Other Services	26,200.00	26,200.00
iv. Reimbursement of Expenses	8,900.00	8,900.00

vii) Managerial remuneration to Directors

	Year Ended 31.03.2006 Rupees	Year Ended 31.03.2005 Rupees
i. Salary/Bonus/Exgratia	7,44,121.00	7,51,470.00
ii. Contribution to Provident Funds	18,612.00	18,612.00
iii. Perquisites in cash or in kind	----	---
iv. Commission	----	---
v. Retainership Fees	----	---
vi. Gratuity Paid	----	---

viii) Figure for the previous years were regrouped/rearranged wherever necessary.

As per our report of even date
For A K S & Associates, Chartered Accountants
A.K. Samanta
Place : Howrah, 26th August' 2006

For & on behalf of the Board
Ranjan Kuthari Rohit Kuthari
Managing Director Executive Director
Kolkata, 26th August' 2006

7. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

CIN No.	L22219WB1991PLC051949	State Code	21
Balance Sheet Date	31.03.2006		

II. Capital Raised during the year (Amount in Rs. Lacs)

Public Issue	Rights Issue
NIL	NIL
Bonus Shares	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

	Total Liabilities	Total Assets
	2,109.39	2,109.39
Sources of Funds	Paid-up Capital	Reserve & Surplus
	1,353.10	681.73
	Secured Loans	Unsecured Loans
	1,365.87	72.15
Application of Funds	Net Fixed Assets	Investments
	679.34	NIL
	Net Current Assets	Capital W.I.P
	1,156.35	NIL
	Accumulated Losses	Misc.Expenditure
	NIL	273.71

IV. Performance of Company (Amount in Rs. Lacs)

Turnover (Gross Revenue)	Total Expenditure
411.34	501.25
(+/-) Profit/Loss before Tax	(+/-) Profit/Loss after tax
89.91	89.91
Earning per share in Rs.	Dividend rate %
NIL	NIL

V. Generic Name of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)	480260.09
Product Description	Dealing in Paper Processing.
Item code No. (ITC Code)	490199.00
Product Description	Dealing in Paper Printing.
Item Code No. (ITC Code)	481920.09
Product Description	Dealing in Printing of Packing Boxes.

As per our report of even date

For A K S & Associates, Chartered Accountants

A.K. Samanta

Place : Howrah, 26th August' 2006

For & on behalf of the Board

Ranjan Kuthari
Managing Director

Rohit Kuthari
Executive Director

Kolkata, 26th August' 2006

8. CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2006

	Year ended 31.03.2006 Rs.in lacs	Year ended 31.03.2005 Rs.in lacs
A) Cash flow from Operating Activities		
Net Profit before tax	(89.91)	(107.87)
Adjustment for :-		
Depreciation	102.57	119.33
Intt. on Borrowings	42.79	40.45
Miscellaneous expenses paid	---	---
Operating Profit before working Capital charges Adjustment for :	55.45	51.91
Trade & Other Receivables	(80.87)	(11.34)
Inventories	(10.70)	(12.06)
Trade Payables & Other liabilities	<u>10.74</u>	<u>9.37</u>
	<u>(80.83)</u>	<u>(14.03)</u>
NET CASH FROM OPERATING ACTIVITIES....(A)	<u>(25.38)</u>	<u>37.88</u>
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets/Capital WIP/	(6.72)	(5.98)
Preliminary Pre-operative Expenses	(0.49)	0.29
NET CASH USED IN INVESTING ASSETS(B)	<u>(7.21)</u>	<u>(5.69)</u>
C) Cash Flow from Financial Activities		
Share Capital including Share Premium	150.00	NIL
Borrowings (Net)	(75.24)	9.61
Interest Paid	(42.79)	(40.45)
NET CASH FROM FINANCING ACTIVITIES(C)	<u>(31.97)</u>	<u>(30.84)</u>
Net Increase/(decrease) in Cash and Cash equivalents (A + B + C)	(0.62)	1.35
Cash and Cash equivalent as on 1.04.2005.	78.72	77.38
Cash and Cash equivalents as on 31.3.2006.	78.10	78.73

Note :- Figures in brackets represent outflows.

Place : Kolkata
Date : 26th August' 2006

For & on behalf of the Board
Ranjan Kuthari Rohit Kuthari
Managing Director Executive Director
Kolkata, 26th August' 2006

AUDITORS' CERTIFICATE

To
The Board of Directors,
ANTARCTICA LIMITED,
1A Vidyasagar Street,
Kolkata - 700 009.

We have examined the attached Cash Flow Statement of **ANTARCTICA LIMITED** for the year ended 31.03.2006. The Statement has been prepared by the Company in accordance with the requirement of item no.6 (vi) of Clause 32 of listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 26th August, 2006 to the members of the Company.

Place : Howrah
Date : 26th August' 2005

for A.K.S. & ASSOCIATES,
(A.K.SAMANTA)
CHARTERED ACCOUNTANTS

PROXY FORM

I/We _____ of

_____ being a Member(s) of Antarctica Limited hereby

appoint _____ of _____

or failing him _____ of _____

or failing him _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 14th Annual General Meeting of the Company to be held on the 28th day of September 2006 at 11 a.m. and at any adjournment thereof.

At witness my/our hand(s) this _____ day of _____ 2006



Signed by the said _____

Folio No./Client I.D. No. _____

Note : The proxy in order to be effective must be returned so as to reach the Registered Office of the Company at 1A, Vidyasagar Street, Kolkata - 700 009 not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

The proxy need not be a member of the Company.

Antarctica Limited

Registered Office : 1A, Vidyasagar Street, Kolkata - 700009

FOURTEENTH ANNUAL GENERAL MEETING

ADMISSION SLIP

Date	Venue	Time
28TH SEPTEMBER 2006	RAJA RAMMOHAN LIBRARY HALL, 267, A.P.C. ROAD, KOLKATA - 700 009	11.00 AM

I certify that I am a registered Shareholder of the Company and hold _____ shares under Folio No./Client I.D. No. _____

Please - in the box. Member Proxy

Name of the Member/Proxy in Block Letter

Member/Proxy's Signature

Note : Shareholder/Proxyholder wishing to attend the meeting must bring the Admission Slip to the meeting and hand over at the entrance duly signed.

BOOK POST

If Undelivered please return to :
ANTARCTICA LIMITED
1A, Vidyasagar Street, Kolkata - 700 009