

27<sup>TH</sup>  
ANNUAL REPORT  
2014-2015



**PURITY FLEXPACK LTD.**



**BOARD OF DIRECTORS**

Mr. ANIL PATEL  
Chairman & Managing Director

Mr. KUNAL PATEL  
Whole-Time Director

Mr. HARSHAD BHATT

Mr. DAXESH PATEL

Mrs. KOKILA PATEL

Mr. MANISH BAXI

Mr. DARSHAK SHETH

Mr. NILESH PATEL

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**CORPORATE OFFICE**

2-B KIRTI TOWERS,  
NR, KIRTI MANDIR, TILAK ROAD,  
VADODARA - 390001

**FACTORY & REGISTERED OFFICE**

AT: VANSETI, POST: TAJPURA  
NEAR HALOL, DIST. PANCHMAHAL - 389 350  
CIN. No.L25200GJ1988PLC010514)  
Tel.: +919904269108

**REGISTRAR & SHARE TRANSFER AGENT**

UNIVERSAL CAPITAL SECURITIES PVT. LTD  
21, MAHAKALI CAVE ROAD, OPP. SATYA SAIBABA  
TEMPLE, ANDHERI (EAST), MUMBAI  
PHONE NO.: 022-28207203-05, 2825 7641, 2826 2920

**BANKERS**

AXIS BANK LTD  
VARDHAMAN COMPLEX, OPP. GEB RACE COURSE  
(NORTH) VADODARA - 390007

**AUDITORS**

M/s. SHAH, MEHTA & BAKSHI  
CHARTERED ACCOUNTANTS,  
VADODARA.

**27<sup>th</sup> Annual General Meeting**

DAY : THURSDAY  
: 30<sup>th</sup> SEPTEMBER 2015  
TIME : 11:00 AM  
PLACE : AT. Vanseti, Post Tajpura, Near Halol  
Dist. Panchmahal - 389350, Gujarat

AS MEASURE OF ECONOMY, COPIES OF THE ANNUAL REPORTS WILL NOT BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING. THE SHAREHOLDERS ARE REQUESTED TO KINDLY BRING THEIR COPIES TO THE MEETING

**NOTICE FOR THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 27<sup>th</sup> ANNUAL GENERAL MEETING of the Shareholders of PURITY FLEXPACK LIMITED will be held on WEDNESDAY, the 30<sup>th</sup> September, 2015 at 11:00 A.M. at the Registered Office of the Company at : Vanseti, Post: Tajpura, Near Halol, Dist: Panchmahals, to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at and the Audited Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2015 and the Directors' Report thereon.
2. To appoint a Director in place of Mr. Daxesh Patel, (holding DIN No. 00194232 ) who retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Darshakkumar Sheth, (holding DIN No. 01292460) who retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** consent of the Company be and is hereby accorded to re-appoint M/s. Shah, Mehta & Bakshi, Chartered Accountants (Firm Regn. No.103824W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting."

**"FURTHER RESOLVED THAT** they may be paid the remuneration which may be decided by the Board Board of Directors of the Company or committee thereof."

**By Order of the Board of Directors,**

**Anil Patel**

Chairman & Managing Director

VANSETI: 25.08.2015

**NOTABENE:**

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- a. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF & PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies / bodies corporate etc., must be supported by an appropriate resolution/authority, as applicable
- b. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder not act as proxy for any other person or shareholder.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 22<sup>nd</sup> September, 2015 to Tuesday, the 29<sup>th</sup> September, 2015 both days inclusive.
- d. Members desirous of obtaining any information concerning the accounts from the company are requested to send their queries to the company at least seven days before the meeting so that the information required by the members may be made available at the meeting.
- e. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days up to and including the date of the annual general meeting of the Company.
- f. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the Company's registrar and share transfer agent in this regard.
- g. Corporate members are requested to send, a duly certified copy of the board resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the Annual General Meeting
- h. Members holding shares in physical form should inform the Company's Registrar and Transfer Agents, Universal Capital Securities Private Limited of any change in their registered address, mandate/bank details/e-mail address. Similarly, Members holding shares in electronic form should inform their Depository Participants (DP) of any change in their registered address, mandate/bank details/e-mail address.
- i. For the convenience of Members and for proper conduct of the Meeting, entry to the venue of the Meeting will be regulated by Attendance Slip, which is enclosed with this notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance to the venue
- j. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, it is mandatory to extend to the Members of the Company, the facility to vote by electronic means and at the AGM. The Company is providing facility for voting by electronic means and the Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting

- k. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting
- l. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Devesh R. Desai, Company Secretary in practice, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will scrutinise the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three days from the date of conclusion of the meeting, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company and the result of the same will be disclosed forthwith. The Company has appointed Universal Capital Securities Private Limited as the Agency for the purpose of facilitating the electronic voting.

**Voting through Electronic Mode**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide members facility to exercise their right to vote at 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The procedure and instruction for members for e-voting are as under:

1. The voting period begins on 25th September, 2015 (9 a.m.) and ends on 27th September 2015 (6 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date (record date) of 21<sup>st</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
3. Click on "Shareholders" tab.
4. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.  * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format

8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant **COMPANY'S NAME- PURITY FLEXPACK LIMITED** on which you choose to vote.
12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21<sup>st</sup> September, 2015.
19. Mr. Devesh R Desai, Practicing Company Secretary (M No. 11332) has been appointed as the Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner
20. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
21. Note for Non-Individual Shareholders & Custodians:
  - Corporate/ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - \* After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
22. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

As per clause 49 of the Listing Agreement with the Stock Exchanges the Company hereby furnishes the brief resume and functional expertise of the following Directors who are seeking re-appointment, as under:

Name of the Director	DARSHAK SHETH	DAXESH PATEL
Age	49 YEARS	50 YEARS
Qualification	DEE	B.COM
Date of Appointment	22/03/2007	10/02/1997
Expertise	Veteran Businessman	Veteran Businessman
Directorships as on 31 <sup>st</sup> March, 2014	Precise Automation & Control Pvt. DH Fine Core Pvt. Ltd.	---
Chairman/Membership of the Committee as on 31 <sup>st</sup> March, 2014	----	Audit Committee Remuneration Committee Share Transfer Committee



## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges on Corporate Governance, the Company hereby submits its report on the same as under:

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company is committed to the principles of transparency, integrity, accountability and social responsibility. The Board of Directors comprises of individuals who are drawn up from various disciplines. The Board ensures that the tenets of good Corporate Governance are practiced in letter and spirit in all its fairness. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review process.

The Company always believes that its systems and actions must be devoted for enhancing corporate performance and maximizing shareholders value in the long term.

### **BOARD OF DIRECTORS:**

The Board of Directors has 8 members comprising of 1 Executive Directors and 7 Non-Executive Directors. The Composition of the Board of Directors is an under:

CATEGORY	NAME OF THE DIRECTORS
EXECUTIVE DIRECTORS	Mr. Anil B. Patel ( Chairman & Managing Director) Mr. Kunal Patel (Whole-time Director)
NON-EXECUTIVE NON-INDEPENDENT DIRECTORS	Smt. Kokila Patel Mr. Harshad S. Bhatt
NON-EXECUTIVE INDEPENDENT DIRECTORS	Mr. Daxesh Patel Mr. Darshak Sheth Mr. Manish Baxi Mr. Nilesh N. Patel

### **ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETINGS:**

During the year ended 31<sup>st</sup> March 2015, the Board met 4 (Four) times on the following dates: 29/04/2014, 06/08/2014, 07/11/2014 and 04/02/2015

The following table gives the details of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting and other directorship in various companies.

Name of the Director	Attendance Particular		No. of other Directorships	No. of Other Committee Membership
	Board Meeting	Last AGM		
Mr. Anil B. Patel (Chairman & Managing Director )	4	Yes	--	3
Smt. Kokila Patel	4	No	--	--
Mr. Kunal Patel	4	Yes	--	--
Mr. Harshad S. Bhatt	4	Yes	1	1
Mr. Daxesh Patel	4	Yes	--	3
Mr. Darshak Seth	4	No	2	--
Mr. Manish Baxi	4	No	1	--
Mr. Nilesh N. Patel	4	No	--	3

**COMMITTEES TO THE BOARD:**

<b>PARTICULARS</b>	<b>AUDIT COMMITTEE</b>	<b>REMUNERATION COMMITTEE</b>	<b>SHARE TRANSFER COMMITTEE</b>
Constituted on	29 <sup>th</sup> June,2001	20 <sup>th</sup> June,2002	29 <sup>th</sup> June,2001
Composition	Mr. Anil Patel Mr. Daxesh Patel Mr. Nilesh Patel (Chairman) (From 12.05.2008)  The Committee is comprised of 3 Directors including 2 non-executive independent Directors, the Chairman being non-executive independent Director.	Mr. Anil Patel (Chairman) Mr. Daxesh Patel Mr. Nilesh Patel (From 12.05.2008)  The Committee is comprised of 3 Directors including 2 non-executive independent Directors.	Mr. Anil Patel (Chairman) Mr. Harshad Bhatt Mr. Daxesh Patel Mr. Nilesh Patel (From 12.05.2008)  The Committee is comprised of 4 Directors including 3 non-executive independent Director.
Meeting and Attendance	Four Meetings were held on 29/04/2014, 06/08/2014, 07/11/2014 and 04/02/2015 and all the members of the committee were present at the meetings.	One meeting was held during the years 2014-2015	All the members of the Committee were present at the following meetings. 11/07/2014, 21/08/2014, 12/09/2014, 18/09/2014, 16/10/2014, 13/11/2014 and 28/11/2014.
Terms of Reference	The terms of reference of this committee are in line with the norms specified under Section 292.A of the Companies Act, 1956	The Committee has been constituted to recommend/ review the remuneration package for a Managing Director and the whole time Director based on performance and defined criteria. The remuneration policy of the Company is based on three tenets: pay for performance and potential and pay for growth.	The Committee has been constituted to approve transfer, transmission and transposition of shares, issue of duplicate share certificates and all other matters relating to shares. Mr. Jayesh Shah, Account Officer/ is duly authorized to make necessary endorsement in the names of the transferees on the reverse of the Share Certificate, once the transfers are approved by the Committee.

**ANNUAL GENERAL MEETINGS:**

**LOCATION AND TIME, WHERE LAST THREE GENERAL MEETINGS WERE HELD ARE GIVEN BELOW:**

Financial Year	Date	Location of the Meeting	Time
2011-2012	27.09.2012	Reg. Office of the Company	11.00 am
2012-2013	27-09-2013	Reg. Office of the Company	11.00 am
2013-2014	27-09-2014	Reg. Office of the Company	11.00 am

**DISCLOSURES:**

1. Separate disclosure is not required as there were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.
2. There were no instances of non-compliance nor have any penalties or strictures been imposed by any Stock-Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

**MEANS OF COMMUNICATION:**

The Board of Directors of the Company approves and takes on record the un-audited financial results in the Performa prescribed by the Stock-Exchanges, within one month of close of quarter/half year and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed.

Management Discussion Analysis is a part of the annual report.

**GENERAL SHAREHOLDER'S INFORMATION:**

Registered Office & Plant Location.	At: Vanseti, Post: Tajpura, Near Halol, Dist: Panchmahals-389350, Gujarat, India.
Annual General Meeting	Date: 30/09/2015 Time : At 11.00 am Venue: At the Registered Office.
Book Closure Date	Tuesday, the 22 <sup>nd</sup> September,2015 to Tuesday, the 29 <sup>th</sup> September,2015 (both days inclusive)
Listing on Stock Exchanges	The Vadodara Stock-Exchange, Ltd, Vadodara. The Bombay Stock Exchange Limited, Mumbai
Share Transfer Agent	UNIVERSAL CAPITAL SECURITIES PVT. LTD 21, Mahakali Cave Road, Opp. Satya Saibaba Temple,Andheri (East), Mumbai Phone No.: 022-28207203-05, 2825 7641, 2826 2920, 2836 6620

**SHARE TRANSFER SYSTEM:**

Share transfers in physical and demat form are registered and returned will within the stipulated period from the receipt if the documents are approve in all respects.

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2015:**

Category	No. of Shares Held	% to paid-up Capital
Non-Resident Individuals	0.00	0.00 %
Bodies Corporate	5292	0.49 %
Mutual Funds/Nationalised Banks	540	0.05 %
Resident Individuals	546363	50.90 %
Directors and Relatives	520010	48.45 %
ESOPs	1195	0.11 %
<b>TOTAL</b>	<b>1073400</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2015:**

Share Distribution	Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Upto 5000	19420	99.47 %	506561	47.19 %
5001-10000	53	0.27 %	37877	3.53 %
10001-20000	22	0.11 %	32980	3.07 %
20001-30000	5	0.03 %	11677	1.09 %
30001-40000	9	0.05 %	30738	2.86 %
40001-50000	3	0.02 %	14326	1.33 %
50001-100000	5	0.03 %	37470	3.49 %
100001 & above	8	0.04 %	401771	37.43 %
<b>TOTAL:</b>	19525	100%	1073400	100%

**Dematerialisation of Shares**

As at March 31, 2015, 88,749 equity shares of Purity Flexpack Limited have been dematerialised by shareholders through Central Depository Services (India) Limited.

ISIN for CDSL : **INE 898001010**

The status of shares which have been dematerialised and shares which are held in physical form as at June 30, 2014 are as under:

Particulars	No. of Shares
Shares held in physical form	984651
Shares held in electronic form	88749
Total Shares	1073400

**INVESTORS CORRESPONDENCE:**

For any assistance regarding share transfers, transmission, change of address and any other query relating to the shares of the Company, Please write to:

**Jayesh J. Shah,**

**Compliance Officer, PURITY FLEXPACK LTD.,**

At Vanseti | Post Tajpura | Near Halol | Dist. Panchmahals 389 350

Tel.: +919904269108 | Email: sales@purityflexpack.com | Web: www.purityflexpack.com

**Reg. Office & Factory:**

At Vanseti | Post Tajpura | Near Halol | Dist. Panchmahals 389 350

Tel.: +919904269108 | Email: sales@purityflexpack.com | Web: www.purityflexpack.com

**OR**

**Registrar & Share Transfer Agent:**

**UNIVERSAL CAPITAL SECURITIES PVT. LTD**

21, Mahakali Cave Road, Opp. Satya Saibaba Temple, Andheri (East), Mumbai

Phone No.: 022-28207203-05, 2825 7641, 2826 2920, 2836 6620

**DIRECTORS' REPORT TO THE MEMBERS**

To,  
The Members,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2015.

**FINANCIAL HIGHLIGHTS:**

The Company's financial performance for the year under review along with previous years figures are given hereunder:

Particulars	31/03/2015 (Rs. In lacs)	31/03/2014 (Rs. In lacs)
Net Sales /Income from		
Business Operations	5,215.56	5,031.21
Other Income	11.16	15.29
Total Income	5,226.72	5,046.50
Gross Profit Before Interest & Depreciation	370.72	357.39
Less Interest	110.12	86.17
Profit before Depreciation	260.60	271.22
Less Depreciation	120.21	75.80
Profit after depreciation and Interest	140.39	195.42
Less Current Income Tax	28.56	40.01
Less Previous year adjustment of Income Tax ,	0.00	-40.25
Less Deferred Tax	17.39	23.95
Net Profit after Tax	94.44	171.71
Dividend (including Interim if any and final )	0.00	0.00
Net Profit after dividend and Tax	94.44	171.71
Amount transferred to General Reserve	94.44	171.71
Balance carried to Balance Sheet	663.51	569.07
Earning per share (Basic)	8.80	16.00
Earning per Share(Diluted)	8.80	16.00

**DIVIDEND :**

With a view to conserve the liquid resources of the Company, your Director regret being unable to recommend payment of any Dividend to the Shareholders for the year ended under report.

**OPERATIONAL REVIEW:**

Your Directors are glad to report that this is the sixth year in succession when the company has been making profits year after year and it is hoped that this trend will continue in future year's subject however to Unforeseen circumstances.

Net sales for the year ended 31<sup>st</sup> march 2015 amounted to Rs 47.40 Lacs as against Rs. 45.61 Lacs of the previous year recording a rise of 3.92 %. The Export Sales during the year under report amounted to Rs.104.34 lacs as against Rs. 20.16 lacs for the previous year.

It is very likely that the increase in export sales will change the great scenario in the life of the company.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure- A** and is attached to this report.

**MANAGEMENT DISCUSSIONS AND ANALYSIS:**

The discussions and information in this report have been provided with a view to enable shareholders to analyze the results for the year with additional information. In certain areas the discussions may cover strategic decisions and management expectations from the same. Such forecasts should not be construed as a guarantee of performance and actual results may differ significantly depending upon the operational conditions and external environment.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company is given in the notes to the financial statements

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There was no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

**DIRECTORS:**

Directors Shri Daxesh Patel and Shri Darshkkumar Sheth retire by rotation and, being eligible, offer themselves for re appointment. The Directors recommend Shri Daxesh Patel and Shri Darshkkumar Sheth for re-appointment.

All independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**Remuneration Policy**

The Board has, on the recommendation of the Appointment & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure B”.

**DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as

“code of business conduct” which forms an Appendix to the Code. The Code has been posted on the Company’s website.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

#### **SECRETARIAL AUDIT:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Devesh R Desai, Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as “**Annexure C**”

#### **AUDITORS:**

M/s. Shah, Mehta & Bakshi, Chartered Accountants, Vadodara, the Statutory Auditors, retire at the ensuing Annual General Meeting and have made themselves available for re-appointment. The Company has received a letter from Statutory Auditors to the effect that in case their appointment is made it would be within the specified limit under Section 224 (1B) of the Companies Act, 1956.

#### **PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees’ particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Compliance Officer in advance

#### **SHARES:**

##### **a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

##### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

##### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

##### **d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

#### **CORPORATE GOVERNANCE:**

The report on corporate governance along with the Auditors’ Certificate regarding compliance of the conditions of corporate governance pursuant to clause 49 of the Listing Agreement is annexed hereto.

#### **INSURANCE:**

All the properties of the Company have been adequately and appropriately insured.



**INDUSTRIAL RELATIONS:**

Industrial Relations remained cordial at the factory throughout the year.

**CEO/CFO CERTIFICATE:**

In terms of the requirements of Clause 49 of the Listing Agreement, the CEO and CFO have submitted necessary Certificate to the Board at its Meeting held on 25.08 2015 stating therein the particulars specified under the said Clause.

**ACKNOWLEDGEMENT:**

The Board appreciates and is thankful for continued support of Company's Bankers and its valued Customers, Suppliers and Shareholders. The Board appreciates the hard work and efforts put in by all Workers, Staff and Officers of the Company.

**For and on behalf of the Board of Directors**

**Anil Patel**

Chairman & Managing Director

VANSETI: 25.08.2015

**Annexure C to Boards Report****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN: L25200GJ1988PLC010514

ii) Registration Date: 30/03/1988

iii) Name of the Company: PURITY FLEXPACK LIMITED

iv) Category / Sub-Category of the Company: Company Limited by Shares

v) Address of the Registered office and contact details:

AT & POST VANSETI  
NR BASKA HALOL PANCHMAHAL  
GUJARAT-389350

vi) Whether listed company: YES

vii) Name, Address and Contact details of Registrar and Transfer Agent:

UNIVERSAL CAPITAL SECURITIES PVT. LTD  
21, Mahakali Cave Road, Opp. Satya Saibaba Temple,  
Andheri (East), Mumbai  
Telephone No. 022-28207203-05, 2825 7641, 2826 2920, 2836 6620  
Fax No. 022-2820 7207  
Email ID: [ravi@unisec.in](mailto:ravi@unisec.in)

**II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GNL	Holding/Subsidiary/ Associates	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.



<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	Nil	5292	5292	0.49%	Nil	5292	5292	0.49%	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2032	552386	554421	51.65%	3358	542505	546363	50.90	-0.75%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify ESPOs)	Nil	1195	1195	0.11%	Nil	1195	1195	0.11%	Nil
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	2032	553581	560908	52.26	3858	548992	552850	51.55%	-0.71%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2032	559416	561448	52.31	3858	549532	553390	51.55%	-0.76%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	80860	992540	1073400	100%	89581	983819	1073400	100%	100%

**B) Shareholding of Promoter-**

S N	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Anil B. Patel	152918	14.25%	Nil	159813	14.89%	Nil	0.64%
2	Mr. Ankit R. Amin	3765	0.35%	Nil	3765	0.35%	Nil	Nil
3	Mr. Harshad Bhatt	10267	0.96%	Nil	10267	0.96%	Nil	Nil
4	Mrs. Kokila Patel	173144	16.13%	Nil	174307	16.24%	Nil	0.11%
5	Mr. Kunal A. Patel	56530	5.27%	Nil	56530	5.27%	Nil	Nil
6	Mr. Naimish Bhatt	450	0.04%	Nil	450	0.04%	Nil	Nil
7	Mr. Ranjay Bhatt	450	0.04%	Nil	450	0.04%	Nil	Nil
8	Mr. Sanjay Bhatt	450	0.04%	Nil	450	0.04%	Nil	Nil
9	Mrs. Sudhaben B. Patel	1770	0.16%	Nil	1770	0.16%	Nil	Nil
10	Mrs. Vaishali A. Patel	111116	10.35%	Nil	111116	10.35%	Nil	Nil
11	Mrs. Varshaben Bhatt	1092	0.10%	Nil	1092	0.10%	Nil	Nil

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	511952	47.69%	511952	47.69%
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	8058	0.76%	8058	0.76%
3	At the end of the year	520010	48.45%	520010	48.45%

**D) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3	At the end of the year	Nil	Nil	Nil	Nil

## E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	392859	36.59%	392859	36.59%
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	8058	0.75%	8058	0.75%
3	At the end of the year	400917	37.35%	400917	37.35%

## F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	52669564	3539400	0.00	56208964
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	52669564	3539400	0.00	56208964
<b>Change in Indebtedness during the financial year</b>				
* Addition	110521015	12704426	0.00	123225441
* Reduction	49842115	1302300	0.00	51144415
<b>Net Change</b>	60678900	11402126	0.00	72081026
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	113348464	14941526	0.00	128289990
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	113348464	14941526	0.00	128289990

**COMPLIANCE CERTIFICATE**

Compliance certificate for Corporate Governance from Auditors of the Company is annexed hereto.

**CERTIFICATE**

To The Members of

Purity Flex pack Ltd.

We have examined the compliance of conditions of Corporate Governance by PURITY FLEXPACK LTD., for the year ended March 31<sup>st</sup> 2015. As stipulated in Clause 49 of Listing Agreement of the said Company with Stock Exchanges.

The Compliance of Condition 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 statement of the Company. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company is complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no investor grievances remaining unattended/pending for more than 30 days.

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

**For Shah, Mehta & Baxi**  
Chartered Accountants

**Vihang Bakshi**  
( Partner )

Vadodara: 25.08. 2015



**D. R. DESAI & CO.**  
**COMPANY SECRETARIES**

40-D, Arpita Park, Near ESI Hospital,  
Gotri Road, Vadodara-390 021.  
(M) 9879533717 (R) 2324248

**Devesh R. Desai**  
M.Com. LL.B. ACS

**FORM NO. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31<sup>ST</sup>, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31<sup>ST</sup>, 2015**

To,  
**The Members,**  
**Purity Flexpack Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Purity Flexpack Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the **Purity Flexpack Limited's** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2015, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. **Not Applicable to the Company during the Audit Period**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.



- D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - **Not Applicable to the Company during the Audit Period;**
- E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - **Not Applicable to the Company during the Audit Period;**
- F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - **Not Applicable to the Company during the Audit Period; and**
- H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - **Not Applicable to the Company during the Audit Period.**
6. **The Micro, Small and Medium Enterprises Development Act, 2006.**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - **Not mandatory for the Company to comply with during the Audit Period.**
- (ii) The Listing Agreement entered into by the Company with the **Bombay Stock Exchange.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For D.R. Desai & Co.**

Practising Company Secretaries

**(Devesh R. Desai)**

Proprietor

**ACS No. 11332 and CP No. 7484**

Place : Vadodara

Date : August 25, 2015

This report is to be read with my letter of even date which is annexed as **Annexure** and forms an integral part of this report.

**Annexure to Secretarial Audit Report**

To,

**The Members,  
Purity Flexpack Limited**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and the practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For D.R. Desai & Co.**

Practising Company Secretaries

**(Devesh R. Desai)**

Proprietor

ACS No. 11332 and CP No. 7484

Place : Vadodara

Date : August 25, 2015

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Additional information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

**CONSERVATION OF ENERGY:****(A) Power and Fuel consumption in respect of Total Energy Consumption:**

(a) Purchased:	<b>2014-15</b>	2013-14
Units (KWH)	<b>1425078</b>	1132972
Total Amount (Rs.)	<b>10221792</b>	7632035
Rate per Unit (Rs.)	<b>7.17</b>	6.73
(b) Own Generation:		
Units (KWH)	<b>0</b>	0
Total Amount (Rs.)		
Rate per Unit (Rs.)		
(c)Furnace Oil/LSHS/LDO/HSQ		
Qty. (K.Ltr)	<b>98370</b>	127617
Total Amount (Rs.)	<b>4477375</b>	5117314
Average Rate (Rs.)	<b>45.52</b>	40.09

**(B) TECHNOLOGY ABSORPTION:****(C) FOREIGN EXCHANGE EARNINGS & OUTGO:**

(i) Foreign Exchange Earning	<b>43.26</b>	20.16
(ii) Foreign Exchange Outgo Foreign Traveling and Purchase	<b>477.78</b>	191.62

Shah Mehta & Bakshi  
Chartered Accountant

## INDEPENDENT AUDITOR'S REPORT

To the Members of Purity Flexpack Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Purity Flexpack Limited("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statement

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

8. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and 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 it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company does not have any pending litigations which would impact its financial position
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - III. The question of delay in transferring amounts to the Investor Education and Protection Fund by the company does not arise as there are no amounts required to be transferred to the said fund.

---

**For Shah Mehta & Bakshi,**  
**Chartered Accountants**  
(Registration No. 103824W)  
**(Vihang Bakshi)**  
**Partner**  
M No.:39054

Place: Vadodara.

Dated: 25<sup>th</sup> August, 2015

Shah Mehta & Bakshi  
Chartered Accountant

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The company has not physically verified the entire fixed assets during the year however procedure for physical verification is proper in relation to size and nature of business. No substantial parts of fixed assets have been disposed of during the year, which will affect its status as going concern.
2. The Management at reasonable intervals has physically verified the inventory during the year. In our opinion, the procedure of physical verification of inventory followed by the management is 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.
3. (a) The company has granted loan to parties covered in the register maintained under section 301 of the Companies Act, 1956, of the value `36.70/- lacs (P.Y.`24.99 lacs);  
  
(b) The Company has taken unsecured loan from parties covered in the register under section 301 of the Companies Act, 1956, of the value ` 149.41/- lacs (P.Y.` 22.37/- lacs);  
(c) In our Opinion, the rate of interest and other terms & conditions of loans given / taken are not prima facie prejudicial to the interest of company. The company is regular in repaying the principal amount as stipulated.
4. In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to the fixed assets. There are no transactions of the purchase of inventory or with regards to the sale of goods & services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. The company has not accepted any deposits from public and the directives issued by Reserve Bank of India has been followed and Section 73 to 76 of the Companies Act, 2013 and rules framed there under, have been duly complied with.
6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. The company has been regular in depositing any undisputed statutory dues if any such as Provident Fund, Income Tax, Excise Duty, Custom Duty, Cess and any other statutory dues. However, no statutory dues were payable beyond the due date under respective statutes as at the balance sheet date.  
  
(i) There were no amount payable in respect of undisputed statutory dues, if any such as Provident Fund, Income Tax, Value Added Tax, Service Tax, Custom Duty, cess and other statutory dues in arrears as on 31st March 2015 for the period of more than six months from the date they become payable.

- (ii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the company under the relevant provisions of Companies Act, 1956 and rules made thereunder.
8. The Company does not have any accumulated losses at the end of the financial year exceeding fifty percent of its net worth. The company has not incurred cash losses in current financial year and immediately preceding financial year.
  9. According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted on repayment of dues to any financial institution or banks.
  10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
  11. According to information and explanations given to us, the company has applied the term loans for the purpose for which same were taken. Therefore, the provision of clause 4(xvi) of the Order is not applicable to the company.
  12. There is no fraud on or by the company has been reported during the year. During the course of examination of books and records of the company, carried out in accordance with the generally accepted auditing standards 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.

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**For Shah Mehta & Bakshi,**  
**Chartered Accountants**  
(Registration No. 103824W)

**(Vihang Bakshi)**  
**Partner**  
M. No. 39054

Place: Vadodara.

Dated: 25<sup>th</sup> August, 2015

## Balance Sheet as at 31<sup>st</sup> March 2015

Particulars	Note	As at 31-03-15 ₹	As at 31-03-14 ₹
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	2	10,734,000	10,734,000
(b) Reserves and Surplus	3	71,222,508	61,778,127
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	52,744,527	13,420,165
(b) Deferred tax liabilities (Net)	5	18,267,299	15,037,717
(3) Current Liabilities			
(a) Short-term borrowings	6	53,576,787	43,606,110
(b) Trade payables	7	76,521,810	80,055,741
(c) Other current liabilities	8	25,901,681	15,155,740
(d) Short-term provisions	9	1,791,052	1,192,199
<b>TOTAL</b>		<b>310,759,664</b>	<b>240,979,799</b>
<b>II. Assets</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	160,515,889	111,005,600
(ii) Capital Work-in-Progress		5,657,808	78,040
(b) Non-current investments	11	130,000	130,000
(2) Current assets			
(a) Inventories	12	70,776,691	62,640,616
(b) Trade receivables	13	49,167,578	49,321,501
(c) Cash and cash equivalents	14	2,764,392	6,742,902
(d) Short-term loans and advances	15	7,270,430	4,691,505
(e) Other current assets	16	14,476,876	6,369,635
<b>TOTAL</b>		<b>310,759,664</b>	<b>240,979,799</b>
Significant Accounting Policies Notes on Financial Statements	1		

As per Annexed Report of even date

**For Shah Mehta & Bakshi**  
Chartered Accountants

For &amp; on behalf of the Board

**Anil Patel**  
(Chairman & Managing Director)

**Vihang Bakshi**  
(Partner)  
Vadodara, Dated - 25th August 2015

**Kunal Patel**  
(Director)



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015

	Note	Year ended on 31-03-15 ₹	Year ended on 31-03-14 ₹
I Revenue from operations	17	<b>521,556,216</b>	503,121,380
Less: Excise Duty		<b>47,562,105</b>	47,032,347
		<b>473,994,111</b>	456,089,033
II Other Income	18	<b>1,115,898</b>	910,940
III. Total Revenue (I +II)		<b>475,110,009</b>	456,999,973
IV Expenses:			
Cost of materials consumed	19	<b>362,448,274</b>	361,523,151
Manufacturing Expenses	20	<b>28,652,114</b>	24,419,503
Changes in inventories of FG,WIP, Stock-in-Trade	21	<b>572,977</b>	739,402
Employee benefit expense	22	<b>23,173,033</b>	15,628,112
Financial costs	23	<b>11,012,077</b>	8,616,547
Depreciation and amortization expense	10	<b>12,021,617</b>	7,580,074
Other expenses	24	<b>23,191,434</b>	18,951,260
Total Expenses		<b>461,071,526</b>	437,458,049
V Profit before tax '(III-IV)		<b>14,038,483</b>	19,541,924
VI Tax expense:			
(1) Current tax		<b>2,855,935</b>	4,001,813
(2) MAT Credit Entitlement		<b>(1,491,415)</b>	(452,820)
(3) Prior Period Tax Adjustment (MAT Credit Entitlement)		<b>0</b>	(4,025,150)
(4) Deferred tax		<b>3,229,582</b>	2,846,653
VII Profit for the period after Tax (V - VI)		<b>9,444,381</b>	17,171,428
VIII Earning per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹ )		<b>8.80</b>	16.00
Significant Accounting Policies	1		
Notes on Financial Statements			

As per Annexed Report of even date

**For Shah Mehta & Bakshi**  
Chartered Accountants

For &amp; on behalf of the Board

**Anil Patel**  
(Chairman & Managing Director)

**Vihang Bakshi**  
(Partner)

**Kunal Patel**  
(Director)

Vadodara, Dated - 25th August 2015

## 1 Significant Accounting Policies

### A Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprise mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provision of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

### B Use of Estimates

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements, the reported amount of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### C Revenue Recognition

- a) Sales  
Sales and job work are recognized on shipment or dispatch to customer and are net of excise duty, VAT, trade discounts and returns if any.
- b) Other Income  
Other Income is recognized on accrual basis except when realisation of such income is uncertain. Export incentives, insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

### D Fixed Assets

Fixed Assets are stated at cost, net of CENVAT credit, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition. Capital work - in- progress includes the cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and the cost of assets not put to use before the balance sheet date.

### E Method of Depreciation

- a) Depreciation on fixed assets has been provided on Straight Line method over the useful life of the Asset.
- b) Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practise of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.
- c) Depreciation on additions to assets or on sale/discardment of assets, is calculated pro rata from the date of such addition / put to use or upto the date of such sale/discardment, as the case may be.

### F Intangible Assets

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

**G Investments**

Long Term Investments are stated at cost of acquisition, but in case of permanent diminution in value of long term investment, provision is made to recognise the decline.

**H Foreign Exchange Transaction**

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transactions. Foreign currency assets and liabilities are translated into Rupees at the rate of exchange prevailing on the date of the Balance Sheet. All exchange differences are dealt with in the statement of profit and loss, except those relating to the acquisition of fixed assets which are adjusted in the cost of the assets till it is ready for the intended use.

Exchange differences arising on account of rollover / cancellation of forward contracts are recognized as income / expense of the period in line with the movement in the underlying exposures.

**I Inventories**

All the items of Inventories are valued Lower of cost or net realisable value. The basis of determining cost for various categories of inventories is stated hereunder:-

a) Raw materials	Lower of Cost / Net realisable value (FIFO)
b) Packing Materials	Lower of Cost / Net realisable value (FIFO)
c) Material in Transit	Actual cost
d) Work in process	Material cost plus appropriate share of Labor, Mfg overheads
e) Finished Goods	Material cost plus appropriate share of Labor, Mfg overheads
f) Scrap	At realisable value
g) Stores & others	At cost
h) Cylinders	At cost less amortization in case of old cylinders

**J Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the period in which they are incurred.

**K Retiring Benefits**

- a) Provident Fund  
Contribution to Provident Fund is made to Government / Recognized provident fund as required by the statutes / rules.
- b) Gratuity  
The Company has instituted a Group - cum - Life Insurance Scheme with the Life Insurance Corporation of India, so far as gratuity is concerned.
- c) Leave Encashment  
The benefit of encashment of the leave is given to the employees of the company during the year .

**L Provision, Contingent Liabilities and Contingent Assets**

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

**M Taxes On Income**

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**N Prior Period Adjustments**

All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period Adjustments Account "

**O Impairment Of Assets**

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**P Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**Q Cash and cash equivalent**

Cash and cash equivalents for the purposes of financial statement includes cash in hand, Balances with Banks and Fixed deposits with banks.

**R Government Grants and Subsidies**

- a) Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached thereto and that the grants will be received.
- b) Capital Government Grants or Subsidies relating to specific fixed assets are deducted from the gross value of the respective fixed assets and other capital grants are credited to Capital Reserve.
- c) Other Government Grants or Subsidies relating to an expense item are recognised as income over the period to match them on a systematic basis to the costs or deducted from related expenses.

**S Current / Non-Current**

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

**2 Share Capital**

Authorised Share Capital 6,000,000 Equity Shares of ₹ 10/- each

Issued, Subscribed and Paid up Capital

1,073,400 Equity Shares of ₹ 10/- each fully paid up

Total

As at 31-03-15 ₹	As at 31-03-14 ₹
<b>60,000,000</b>	60,000,000
<b>10,734,000</b>	10,734,000
<b>10,734,000</b>	10,734,000

- a) Reconciliation of numbers of shares outstanding is set out below
- Equity Shares at the beginning of the year
- Changes during the year
- Equity Shares at the end of the year

<b>1,073,400</b>	1,073,400
<b>0</b>	0
<b>1,073,400</b>	1,073,400

- b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c) The Details of Shareholders holding more than 5% shares

Name of the Shareholder	As at 31-03-15		As at 31-03-14	
	No of Share	% holding	No of share	% holding
Anil Patel	<b>159,813</b>	<b>14.89</b>	152,918	14.25
Kokila Patel	<b>174,307</b>	<b>16.24</b>	173,144	16.13
Vaishali Amin	<b>111,116</b>	<b>10.35</b>	111,116	10.35
Kunal Patel	<b>56,530</b>	<b>5.27</b>	56,530	5.27

**3 Reserves And Surplus**

- a) Capital Reserve
- i) Subsidy from State Government
- ii) Balance of excess of assets over liabilities & reserves taken over pursuant to scheme of amalgamation of Vaikunth
- b) General Reserve
- Opening Balance
- Addition during the year
- Closing Balance
- c) Surplus in statement of profit and loss
- As per last Balance Sheet
- Add: Profit for the year
- Less: Additional Depreciation Net Deferred Tax

As at 31-03-15 ₹	As at 31-03-14 ₹
<b>2,700,000</b>	2,700,000
<b>2,145,067</b>	2,145,067
<b>4,845,067</b>	4,845,067
<b>26,167</b>	26,167
<b>0</b>	0
<b>26,167</b>	26,167
<b>56,906,893</b>	39,735,465
<b>9,444,381</b>	17,171,428
<b>0</b>	0
<b>66,351,274</b>	56,906,893
<b>71,222,508</b>	61,778,127

Total

4 Term Loans

	Non-Current Portion		Current Maturities	
	As at 31-03-15 ₹	As at 31-03-14 ₹	As at 31-03-15 ₹	As at 31-03-14 ₹
Indian rupee loan from banks (Secured)				
HDFC Bank				
Term Loan I	115,156	204,774	89,618	89,617
Term Loan II	0	0	0	660,641
Term Loan III	0	0	0	163,782
Term Loan IV	525,481	1,502,446	976,965	885,993
Term Loan V	396,871	726,236	329,365	273,764
Term Loan VI	236,829	0	157,164	0
Axis Bank				
Term Loan I	0	0	0	101,057
Term Loan II	0	0	3,029,821	0
Term Loan III	6,238,978	0	1,800,000	0
Term Loan IV	7,112,469	0	1,992,000	0
Term Loan V	3,212,960	0	7,380,000	0
Term Loan VI	33,469,526	0	7,650,000	0
Foreign currency loan from banks (Secured)				
Term Loan from Bank of Baroda				
Term Loan PCFC-IV	0	3,322,464	0	4,672,080
From Bank (Unsecured)				
Kotak Mahindra Bank Ltd	0	3,786,052	0	2,358,856
From Financial Institutions (Unsecured)				
TATA Capital Ltd	0	1,656,786	0	1,975,212
Magma Fincap	0	2,221,407	0	1,410,656
Magma Fincap - Business Loan	1,436,257	0	949,635	0
	<b>52,744,527</b>	13,420,165	<b>24,354,568</b>	12,591,658
Secured borrowings	51,308,270	5,755,920	23,404,933	6,846,934
Unsecured borrowings	1,436,257	7,664,245	949,635	5,744,724
Amount disclosed under the head "other current liabilities" (note 9)			(24,354,568)	(12,591,658)
Net Amount	<b>52,744,527</b>	13,420,165	<b>0</b>	0

- a) Term Loan - HDFC Term Loan I ₹ 2.04 lacs (PY ₹ 2.94 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of ₹ 0.10 lacs along with Interest @ 12% P.a.
- b) Term Loan - HDFC Term Loan II Nil (PY ₹ 6.61 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of ₹ 0.58 lacs along with Interest @ 10% P.a.
- c) Term Loan - HDFC Term Loan III Nil (PY ₹ 1.64 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of ₹ 0.14 lacs along with Interest @ 11.01% P.a.
- d) Term Loan - HDFC Term Loan IV ₹ 15.02 lacs (PY ₹ 23.88 lacs) secured by way of Hypothecation of Car. The Loan is repayable in equal monthly instalments each of ₹ 0.90 lacs along with Interest @ 10.00% P.a.
- e) Term Loan - HDFC Term Loan V ₹ 7.26 lacs (PY ₹ 10.00 lacs) secured by way of Hypothecation of Car. The Loan is repayable in equal monthly instalments each of ₹ 0.32 lacs along with Interest @ 10.25% P.a.
- f) Term Loan - HDFC Term Loan VI ₹ 3.94 lacs (PY Nil) secured by way of Hypothecation of Car. The Loan is repayable in equal monthly instalments each of ₹ 0.16 lacs along with Interest @ 10.65% P.a.

- g) Term Loan - Axis Bank Term Loan I Nil (PY ₹ 1.01 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of ₹ 0.13 lacs along with Interest @ 9.00% P.a.
- h) Term Loan - Axis Bank Term Loan II ₹ 30.30 lacs (PY Nil) secured by way of Hypothecation of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of ₹ 3.93 lacs, Interest @ 2.75% above Base Rate (i.e. 13.00%) p.a.
- i) Term Loan - Axis Bank Term Loan III ₹ 80.39 lacs (PY Nil) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of ₹ 1.50 lacs, Interest @ 2.75% above Base Rate (i.e. 13.00%) p.a.
- j) Term Loan - Axis Bank Term Loan IV ₹ 91.04 lacs (PY Nil) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc. The Loan is repayable in equal monthly instalments each of ₹ 1.66 lacs, Interest @ 2.75% above Base Rate (i.e. 13.00%) p.a.
- k) Term Loan - Axis Bank Term Loan V ₹ 105.93 lacs (PY Nil) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of ₹ 6.15 lacs, Interest @ 2.75% above Base Rate (i.e. 13.00%) p.a.
- l) Term Loan - Axis Bank Term Loan VI ₹ 411.19 \* lacs (PY Nil) secured by way of Hyp. Of Machinery, Electric Installation, Furniture, office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of ₹ 8.50 lacs after the moneterium period of 6 months, Interest @ 2.75% above Base Rate (i.e. 12.90%) p.a.  
\* ₹ 411.19 Lacs includes ₹ 266.90 Lacs (4.25 Lacs \$) towards One time FLC for Capital goods for the usance period of 360 days, convertible into INR Term Loan after the expiry of the usance period.
- m) Term Loan PCFC - Bank of Baroda Nil (PY ₹ 79.95 lacs) secured by way of Hypothecation of Plant & Machinery of the of the Company. Repayable in 60 monthly instalments of ₹ 2.92 lacs, interest rate @ 4.25% above Base Rate (i.e. 15%).
- n) Term Loan - Kotak Mahindra Bank Ltd Nil (PY ₹ 61.44 lacs) are clean bussiness loan secured by way of personal guarantee of the directors of the company. The Loan is repayable in equal monthly instalments each of ₹ 1.79 lacs along with Interest @ 11.01% P.a.
- o) Term Loan - Tata Capital Ltd Nil (PY ₹ 36.32 lacs) are clean bussiness loan secured by way of personal guarantee of the directors of the company. The Loan is repayable in equal monthly instalments each of ₹ 1.06 lacs along with Interest @ 11.01% P.a.
- p) Term Loan - Magma Fincap Nil (PY ₹ 36.32 lacs) are clean bussiness loan secured by way of personal guarantee of the directors of the company. The Loan is repayable in equal monthly instalments each of ₹ 1.58 lacs along with Interest @ 16.01% P.a.
- q) Term Loan -Magma Fincap ₹ 36.32 lacs (PY Nil) are clean bussiness loan secured by way of personal guarantee of the directors of the company. The Loan is repayable in equal monthly instalments each of ₹ 1.07 lacs along with Interest @ 16.68% P.a.
- r) All the facilities (funded & Non-funded) are further secured by personal guarantee of the Directors of the Company.

	As at 31-03-15 ₹	As at 31-03-14 ₹
<b>5 Deferred Tax Liabilities</b>		
a) Deferred Tax Liability Related to Depreciation on fixed Assets	<b>19,315,356</b>	15,072,004
b) Deferred Tax Assets Related to Gratuity	<b>1,048,057</b>	34,287
Net Deferred Tax Liability	<b>18,267,299</b>	15,037,717
<b>6 Short Term Liabilities</b>		
1) Secured Loans from Bank of Baroda Cash Credit	<b>0</b>	40,066,710
2) Secured Loans from Axis Bank Cash Credit	<b>38,635,261</b>	0
Total	<b>38,635,261</b>	40,066,710

Working capital loans are secured by Hypothecation of entire raw materials, stock-in-process, stores & spares, packing materials, finished goods and Book-debts of the Company, both present & future. Interest is charged @ 2% above Base Rate (i.e. 12.25%)

2) Unsecured Loans		
From Directors		
A B Patel	<b>4,052,390</b>	1,526,500
Kunal Patel	<b>10,178,536</b>	0
H S Bhatt	<b>710,600</b>	710,600
	<b>14,941,526</b>	2,237,100
From Others	<b>0</b>	1,302,300
Total	<b>53,576,787</b>	43,606,110

<b>7 Trade Payables</b>		
1) For Raw Materials	<b>56,867,419</b>	67,297,422
2) For Expenses	<b>19,490,009</b>	12,501,153
3) For Others	<b>164,382</b>	257,166
Total	<b>76,521,810</b>	80,055,741

As informed to us, the company has not received any intimation from suppliers regarding their status under any Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid/ payable as required under the said Act has not been given.

<b>8 Other Current Liabilities</b>		
1) Current Maturities of the Term Loan (Note 4)	<b>24,354,568</b>	12,591,658
2) Sales Tax	<b>15,274</b>	8,220
3) Employees Contribution to PF	<b>106,504</b>	77,913
4) TDS payable	<b>41,335</b>	68,415
5) Payable for Capital Expenditure	<b>0</b>	2,409,534
6) Advance Received	<b>1,384,000</b>	0
Total	<b>25,901,681</b>	15,155,740
<b>9 Short Term Provisions</b>		
1) Directors Remuneration Payable	<b>382,141</b>	8,034
2) Other Provisions	<b>1,408,911</b>	1,184,165
Total	<b>1,791,052</b>	1,192,199



10 Fixed Assets :

Sr. No	Name of Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK				
		As on 01-Apr-14 ₹	Addition ₹	Deduction ₹	Total as on 31-Mar-15 ₹	Up to 01-Apr-14 ₹	Charged to Profit & Loss ₹	For the Year ₹	Deduction ₹	Total as on 31-Mar-15 ₹	As on 31-Mar-15 ₹	As on 31-Mar-14 ₹
1	Land (Freehold)	431,964		0	431,964	0		0		0	431,964	431,964
2	Factory Building	25,049,355	6,370,785	0	31,420,140	8,994,310		793,629		9,787,939	21,632,201	16,055,045
3	Administrative Bldg.	3,113,647	0	0	3,113,647	654,406		142,181		796,587	2,317,060	2,459,241
4	Plant & Machinery	113,516,806	54,173,608	0	167,690,414	47,104,576		7,319,209		55,878,253	111,812,161	66,412,230
5	Solar Plant	14,686,087	0	0	14,686,087	160,541		933,569		1,094,110	13,591,977	14,525,546
5	Electrical Installation	3,083,032	1,382,985	0	4,466,017	2,706,821		190,091		2,637,188	1,828,829	376,211
6	Office Equipments	701,116	111,490	0	812,606	491,176		127,186		679,690	132,916	209,940
7	Fire Fighting Equip.	21,858		0	21,858	21,858		0		21,858	0	0
8	Furniture & Fixtures	1,910,669	24,549	0	1,935,218	1,854,758		45,987		1,626,555	308,663	55,911
9	Vehicles	12,097,364	603,009	1,871,246	10,829,127	1,814,509		1,376,370		2,630,270	8,198,857	10,282,855
10	Laboratory Equipment	171,852	0	0	171,852	64,426		24,325		87,283	84,569	107,426
12	Computer	868,151	44,990	0	913,141	778,920		108,175		736,449	176,692	89,231
	<b>Total</b>	<b>175,651,901</b>	<b>62,711,416</b>	<b>1,871,246</b>	<b>236,492,071</b>	<b>64,646,301</b>		<b>11,060,722</b>		<b>691,736</b>	<b>160,515,889</b>	<b>111,005,600</b>
	<i>Previous Year</i>	<i>152,823,946</i>	<i>23,600,196</i>	<i>772,241</i>	<i>175,651,901</i>	<i>57,689,535</i>		<i>7,580,074</i>		<i>623,308</i>	<i>111,005,600</i>	<i>98,234,053</i>

1) In accordance with the provisions of Schedule II of the Act, in case of fixed assets which have completed their useful life as at 1st April, 2014, the carrying value (net of residual value) amounting to ₹ 9.61 lacs as a transitional provision has been recognised in the Profit and Loss as depreciation.

2) Further, in case of assets acquired prior to 1st April, 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014

**11 Non Current Investments**

Non-trade investment (unquoted at cost)

Investment in Equity Instruments (Fully Paid)

1300 (31 March 2014: 1300) shares of Stag Print P Ltd ₹ 100/- each

As at 31-03-15	As at 31-03-14
₹	₹
130,000	130,000
<b>130,000</b>	<b>130,000</b>

Total

**12 Inventories**

(Inventories are carried at the lower of cost and net realisable value)

- 1) Raw materials
- 2) Work-in-progress
- 3) Finished goods
- 4) Stores & Spares , Cylinders & Others
- 5) Packing Materials

35,318,958	27,230,322
15,103,821	17,352,661
4,037,582	2,361,719
14,164,609	12,580,998
2,151,721	3,114,916
<b>70,776,691</b>	<b>62,640,616</b>

Total

**13 Trade Receivables**

(Unsecured and Considered Good)

Over six months

Others

4,528,631	4,166,929
44,638,947	45,154,572
<b>49,167,578</b>	<b>49,321,501</b>

Total

**14 Cash and cash equivalents**

- i Balance with Schedule Banks
- ii Cash on hand
- iii Other Bank Balances  
Fixed Deposit with Bank

(2,315,502)	382,845
415,070	559,403
4,664,824	5,800,654
<b>2,764,392</b>	<b>6,742,902</b>

Total

**15 Short Term Loans and Advances**

(Unsecured and Considered Good)

Advance Tax (Including TDS) (net)

MAT Credit

1,351,166	228,989
5,919,264	4,462,516
<b>7,270,430</b>	<b>4,691,505</b>

Total

**16 Other Current Assets**

- 1) Security Deposit
- 2) Staff Advances
- 3) Other Receivables

2,750,281	1,785,446
9,250	4,000
11,717,345	4,580,189
<b>14,476,876</b>	<b>6,369,635</b>

Total

**17 Revenue from Operations**

Sale of Products

Job Work

Export benefit received

519,977,107	502,878,966
1,511,505	197,990
67,604	44,424
<b>521,556,216</b>	<b>503,121,380</b>

Total

**17.1 Sale of Products (Net)**

Sales - Domestic

Sales - Exports

479,634,884	470,052,372
10,434,226	2,016,112
<b>490,069,110</b>	<b>472,068,484</b>

Total

	Current Year ₹	Previous Year ₹
<b>18 Other Income</b>		
Bank Interest	437,579	313,241
Interest Others	678,319	597,699
Total	1,115,898	910,940
<b>19 Cost of Materials Consumed</b>		
Imported	58,585,006	22,366,272
Indigenous	303,863,268	339,156,879
Total	362,448,274	361,523,151
19.1 Consumption (in %)		
Imported	16.16%	6.19%
Indigenous	83.84%	93.81%
Total	100.00%	100.00%
19.2 Particulars of materials consumed		
Granuals	100,605,823	101,756,996
Paper	97,613,449	90,678,743
Ink	37,197,930	34,510,071
Others	127,031,072	134,577,341
Total	362,448,274	361,523,151
<b>20 Manufacturing Expenses</b>		
Freight & Carriage	5,454,703	4,440,744
Power, Fuel & Water Charges	14,896,799	12,861,272
Packing Materials Consumed	2,062,118	788,399
Consumable Stores & Dies	3,514,958	4,456,388
Excise duty (Net)	192,049	347,919
Repairs & Maintenance	1,295,313	743,743
Factory Expenses	609,954	247,998
Security Expenses	626,220	533,040
Total	28,652,114	24,419,503
<b>21 Changes in Inventories of FG, WIP , Stock in Trade</b>		
Closing Stock		
Finished Goods	4,037,582	2,361,719
Semi - Finished Goods	15,103,821	17,352,661
Less : Opening Stock		
Finished Goods	2,361,719	5,985,450
Semi - Finished Goods	17,352,661	14,468,332
Total	(572,977)	(739,402)
<b>22 Employee Benefit Expenses</b>		
Salaries & Wages	17,500,777	13,797,698
Contribution to Provident & Other Funds		
Provident Fund	1,717,625	1,160,137
Gratuity	3,630,257	605,677
Staff Welfare Expenses	324,374	64,600
Total	23,173,033	15,628,112

	Current Year ₹	Previous Year ₹
<b>23 Financial Costs</b>		
Interest		
On Bank Loan	6,572,187	5,911,689
On Other Loans	3,032,588	2,274,803
Bank Commission & Charges	1,407,302	430,055
Total	11,012,077	8,616,547
<b>24 Other Expenses</b>		
Administrative & Other Selling Expenses		
Rent, Rates & Taxes	328,363	346,293
Postage & Telephone	404,833	363,405
Printing & Stationery	144,644	133,068
Office Expenses	115,836	93,405
Insurance	574,497	489,607
Repairs and Maint. ( Other )	622,887	1,086,831
Directors' Remuneration	6,600,000	4,800,000
Travelling Expenses	487,342	832,068
Conveyance Exps.	840,902	761,618
Auditors' Remuneration	73,034	73,034
Legal Exps. & Professional Fees	867,985	743,345
Carriage Outward & Export exps	4,461,874	4,368,319
Advertisements	226,073	228,947
Commission on Sales	5,453,780	2,921,065
Computer Expenses	48,225	86,575
Entertainment Exps.	186,572	135,810
Professional Tax	2,500	2,500
Licence Fees / ECGC / Filing Fees	924,169	179,652
General Miscellaneous Expenses	183,716	1,299,310
Donations	85,000	27,000
Loss on Sale of Assets	528,510	-20,592
Prior Period Expenses	30,692	0
Total	23,191,434	18,951,260
<b>25 Earnings per Share (EPS)</b>		
1) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹)	9,444,381	17,171,428
2) Weighted Average number of shares	1,073,400	1,073,400
3) Basic and Diluted Earnings per share (₹)	8.80	16.00
4) Face Value per equity share (₹)	10.00	10.00
		(₹ In Lacs)
<b>26 Value of Imports on CIF Basis</b>		
Raw Material	585.85	229.64
<b>27 Remuneration to Auditors - (Incl Ser Tax)</b>		
Audit Fees	0.51	0.51
Tax Audit Fees	0.22	0.22
	0.73	0.73
<b>28 Expenditure in Foreign Currency on Account of</b>		
Foreign Travel Expenses	7.79	3.80
Import of Raw Material	469.99	187.82
	477.78	191.62
<b>29 Earning in Foreign Exchange</b>		
Export of goods on FOB basis	43.26	20.16

30 Raw - materials consumed includes materials used for Job Work, which is very insignificant.

31 Previous year figures have been recast/restated to confirm to the classification of the current period.

32 Balance of Debtors, Creditors, Un-Secured Loan, Advances and Bank's Outstation Collection Accounts are subject to confirmation & reconciliation if any.

**33 Related Party Disclosure**

Disclosures as required by Accounting Standard 18 are given below:

Nature of Relationship	Name of Related Party
Key Management Personnel	Anil B Patel Kunal A Patel
Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	Anupam Trading Company H S Bhatt Aman Enterprises OM Suntronics Converting Equipments Kalpvrx Converting Products Pvt Ltd Stag Print P Ltd

The following transaction were carried out with the Related Parties in Ordinary course of business.

₹ in Lacs

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Others	Total
<b>(A) Transactions</b>				
Sales	-	-	2.97	2.97
	-	-	-	-
Interest Income	-	-	3.35	3.35
	-	-	(1.72)	(1.72)
Purchases	-	-	409.00	409.00
	-	-	(358.69)	(358.69)
Rent	-	-	1.50	1.50
	-	-	(1.50)	(1.50)
Remuneration & Perquisites	66.00	-	-	66.00
	(48.00)	-	-	(48.00)
Repair & Maintenance	-	-	0.37	0.37
	-	-	(1.02)	(1.02)
Interest Expenses	2.27	-	-	2.27
	-	-	-	-
Unsecured Loans (Net)	125.00	-	-	125.00
	-	-	-	-
Purchase of Fixed Assets	-	-	49.85	49.85
	-	-	-	-
Loans & Advances	-	-	8.36	8.36
	-	-	-	-
<b>(B) Balances at the year end</b>				
Unsecured Loans	142.31	-	7.10	149.41
	(15.27)	-	(7.10)	(22.37)
Sundry Creditors	-	-	117.43	117.43
	-	-	(157.17)	(157.17)
Remuneration Payable	3.82	-	-	3.82
	(0.08)	-	-	(0.08)
Investment in Equity Shares	-	-	1.30	1.30
	-	-	(1.30)	(1.30)
Sundry Debtors	-	-	2.97	2.97
	-	-	-	-
Loans & Advances	-	-	36.70	36.70
	-	-	(24.99)	(24.99)

As per Annexed Report of even date

For Shah Mehta & Bakshi  
Chartered Accountants

For &amp; on behalf of the Board

Anil Patel  
(Chairman & Managing Director)Vihang Bakshi  
(Partner)Kunal Patel  
(Director)

Vadodara, Dated - 25th August 2015

Particulars	As at 31-03-15 ₹	As at 31-03-14 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax & extraordinary items	14,038,483	19,541,924
<u>Adjustments For :</u>		
Add Depreciation	12,021,617	7,580,074
Loss / (Profit) on sales of Discarded Assets	528,510	(20,592)
Finance Charges	11,012,077	8,616,547
Less Dividend & Other Income	(437,579)	(313,241)
Operating Profit Before Working Capital Changes	37,163,108	35,404,712
<u>Adjustments For :</u>		
(Increase) / Decrease In Inventories	(8,136,075)	(1,111,677)
(Increase) / Decrease Receivables & Other assets	(10,532,243)	(14,781,926)
Increase (Decrease) in Trade And Other Payables	(3,952,047)	5,601,795
Cash Generated from Operations	14,542,743	25,112,904
Tax Paid	(1,364,520)	(4,304,756)
Net Cash From Operating Activities	13,178,223	20,808,148
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale (Purchase) of Fixed Assets	(68,291,184)	(23,678,236)
Proceeds from Sale of Fixed Assets	651,000	169,525
Interest & Dividend Received	437,579	313,241
Net Cash flow / use In Investing Activities	(67,202,605)	(23,195,470)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Charges	(11,012,077)	(8,616,547)
Increase (Decrease) in Secured Loan	60,678,900	(1,037,134)
Increase (Decrease) in Unsecured Loan	379,049	9,059,860
<b>Net Cash From / (In) Financing Activities</b>	<b>50,045,872</b>	<b>(593,821)</b>
<b>D Net Increase In Cash And Cash Equivalents ( A + B + C )</b>	<b>(3,978,510)</b>	<b>(2,981,143)</b>
<b>E Opening Cash And Cash Equivalents</b>	<b>6,742,902</b>	<b>9,724,045</b>
<b>F Closing Cash And Cash Equivalents (D+E)</b>	<b>2,764,392</b>	<b>6,742,902</b>

**Notes:**

- The above Cash flow statement has been prepared under the indirect method as set out in the AS - 3 Cash Flow Statements issued by the Institute of Chartered Accountant of India.
- Cash and cash equivalents for the purposes of financial statement comprise cash in hand, balances with bank and Fixed deposits with bank as per Note No - 14.
- Purchase of fixed assets includes movements of capital work-in-progress (including Capital Advances) during the year.
- Previous Year figures have been regrouped when necessary to conform to the year's classification.

As per Annexed Report of even date

**For Shah Mehta & Bakshi**  
Chartered Accountants

**For & on behalf of the Board**

**Anil Patel**  
(Chairman & Managing Director)

**Vihang Bakshi**  
(Partner)

**Kunal Patel**  
(Director)

Vadodara, Dated - 25th August 2015



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