



**PURITY FLEXPACK LTD.**

28<sup>TH</sup>

ANNUAL REPORT

2015-2016



**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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**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.

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

DAY : THURSDAY  
: 4<sup>th</sup> AUGUST 2016  
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 28<sup>th</sup> ANNUAL GENERAL MEETING of the Shareholders of PURITY FLEXPACK LIMITED will be held on THURSDAY, the 4<sup>th</sup> AUGUST, 2016 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, 2016 and the Directors' Report thereon.
2. To appoint a Director in place of Mr. Nilesh N. Patel, (holding DIN No. 01740293) 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. Manish A. Baxi, (holding DIN No. 02011827) 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 pursuant to the provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed on September 30, 2015, the appointment of M/s. Shah, Mehta & Bakshi., Chartered Accountants (Firm Registration No. 203824W), as the Auditors of the Company be and is hereby ratified for the year 2016-17 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on 31<sup>st</sup> March, 2017 as may be determined by the Audit Committee in consultation with the Auditors.”

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

**Anil Patel**  
**Chairman & Managing Director**

**VANSETI**  
**5<sup>TH</sup> JULY, 2016**

**NOTABENE:**

- 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 **Friday, the 29<sup>th</sup> July, 2016 to Thursday, the 4<sup>th</sup> August, 2016** 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 upto 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, M/s. 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 28<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 1<sup>st</sup> August, 2016 (9 a.m.) and ends on 3<sup>rd</sup> August, 2016 (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 28<sup>th</sup> July, 2016 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 28<sup>th</sup> July, 2016.
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 alongwith 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	NILESH N. PATEL	MANISH A BAXI
Age	43 YEARS	51 YEARS
Qualification	B,E.	B.COM, LL.B. FCA
Date of Appointment	12/05/2008	22/03/2007
Expertise	Veteran Businessman	<b>He is a Chartered Accountant and proficiency in Accountancy matter.</b>
Directorships as on 31 <sup>st</sup> March, 2016	None	None
Chairman/Membership of the Committee as on 31 <sup>st</sup> March, 2014	Audit Committee Remuneration Committee	None



## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges on Corporate Governance, the Company hereby submits it's 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 2016, the Board met 9 (Nine) times on the following dates: 08/05/2015, 15/07/2015, 31/07/2015, 25/08/2015, 01/10/2015, 09/11/2015. 29/01/2016, 01/03/2016 and 30/03/2016

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	Lat 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	--	--
Mr. Nilesh N. Patel	4	Yes	--	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 08/05/2015, 25/08/2015, 09/11/2015 and 29/01/2016 and all the members of the committee were present at the meetings.	One meeting was held during the years 2015-2016	All the members of the Committee were present at the following meetings. 08/05/2015, 09/11/2015, and 29/01/2016
Terms of Reference	The terms of reference of this committee are in line with the norms specified under the Companies Act,1956/2013	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
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
2014-2015	30-09-2015	Reg, Office of the Company	11.00 a.m.

**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 : 04/08/2016 Time : At 11.00 am Venue : At the Registered Office.
Book Closure Date	Friday, the 29 <sup>th</sup> July, 2016 to Thursday, the 4 <sup>th</sup> August, 2016 ( 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 well within the stipulated period from the receipt if the documents are approve in all respects.

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2016:**

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	52.17 %
Directors and Relatives	520010	47.29 %
ESOPs	1195	0.11 %
<b>TOTAL</b>	<b>1073400</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2016:**

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	100.00%	1073400	100.00 %

**Dematerialisation of Shares**

As at March 31, 2016, 90,093 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 March 31, 2016 are as under:

Particulars	No. of Shares
Shares held in physical form	983307
Shares held in electronic form	90093
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, PO TAJPURA, BASKA, HALOL DIST PANCHMAHAL 389350.**  
**Phone: 9904269108, E-mail: [sales@purityflexpack.com](mailto:sales@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 28<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2016.

**FINANCIAL HIGHLIGHTS:**

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

<b>Particulars</b>	<b>31/03/2016 (Rs.)</b>	<b>31/03/2015 (Rs.)</b>
Net Sales /Income from Business Operations	5,123.05	4,739.94
Other Income	10.43	11.16
Total Income	5,133.48	4,751.10
Less Interest	128.53	110.12
Profit before Depreciation	421.40	260.60
Less Depreciation	135.74	120.21
Profit after depreciation and Interest	285.66	140.39
Less Current Income Tax	68.61	28.56
Less Previous year adjustment of Income Tax ,	0.14	14.91
Less Deferred Tax / Mat Adj	26.84	32.29
Net Profit after Tax	190.06	94.44
Dividend (including Interim if any and final )	0.00	0.00
Net Profit after dividend and Tax	190.06	94.44
Amount transferred to General Reserve	190.06	94.44
Balance carried to Balance Sheet		
Earning per share (Basic)	17.71	8.80
Earning per Share(Diluted)	17.71	8.80

**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 Seventh 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 2016 amounted to Rs 5284.85 Lacs as against Rs. 4751.10 Lacs of the previous year recording a rise of 11.24%. Like wise net profit also amounted to Rs. 12.76 Lacs as against Rs. 94.44 Lacs in 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 Nilesh N. Patel and Shri Manish A. Baxi retire by rotation and, being eligible, offer themselves for re appointment. The Directors recommend Shri Nilesh N Patel and Shri Manis A. Baxi 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 Nine 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 ongoing 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 29<sup>th</sup> January, 2016 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**

**5<sup>th</sup> July, 2016**

**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>2015-16</b>	2014-15
Units (KWH)	<b>1373514</b>	1425078
Total Amount (Rs.)	<b>10320228</b>	10221792
Rate per Unit (Rs.)	<b>7.51</b>	7.17
(b) Own Generation:		
Units (KWH)	<b>187895</b>	182284
Total Amount (Rs.)		
Rate per Unit (Rs.)		
(c)Furnace Oil/Gas/LSHS/LDO/HSQ		
Qty. (K. Ltr /Scm)	<b>118436</b>	98370
Total Amount (Rs.)	<b>3768668</b>	4477375
Average Rate (Rs.)	<b>31.82</b>	45.52

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

(i) Foreign Exchange Earning	<b>66.35</b>	43.26
(ii) Foreign Exchange Outgo Foreign Traveling and Purchase	<b>442.63</b>	550.05

**Annexure C to Boards Report**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on**  
**31st March, 2016**

[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  
V21, Mahakali Cave Road, Opp. Satya Saibaba Temple,  
Andheri (East), Mumbai,  
Telephone No. 022-28207203-05, 2825 7641, 28262920, 2836 6620  
Fax No. 022-2820 7207 Email ID: [ravi@unisec.in](mailto:ravi@unisec.in)

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Packing Materials	NA	100

**III. 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.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	85723	434287	520010	48.45%.	85888	434287	520175	48.46%.	0.01%
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A)</b>	85723	434287	520010	48.45%.	85888	434287	520175	48.46%.	0.01%
<b>B. Public Shareholding</b>									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	540	540	0.05%	Nil	540	540	0.05%	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	Nil	540	540	0.05%	Nil	540	540	0.05%	Nil

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	Nil	5292	5292	0.49%	Nil	5292	5292	0.50%	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	3358	542505	546363	50.90	4260	543036	547296	50.99	0.09%
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	97	97	0.009%	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>	3358	548992	552350	51.55%	4260	548425	552685	51.49%	-0.06%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3358	549532	552890	52.31	3858	548965	553225	51.54%	-0.78%
<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>	89081	983819	1073400	100 %	90148	983252	1073400	100%	100%

**B) Shareholding of Promoter-**

SN	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	159813	14.89%	Nil	159978	14.90%	Nil	0.01%
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	174307	16.24%	Nil	174307	16.24%	Nil	Nil
5	Mr. Kunal A. Patel	56530	5.27%	Nil	56530	5.27%	Nil	Nil
6	Mrs. Sudhaben B. Patel	1770	0.16%	Nil	1770	0.16%	Nil	Nil
7	Mrs. Vaishali A. Patel	111116	10.35%	Nil	111116	10.35%	Nil	Nil
8	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
	At the beginning of the year	511952	47.69%	520175	48.46%
	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 %	8223	0.77%
	At the end of the year	520010	48.45%	520175	48.46%

**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
	At the beginning of the year	Nil	Nil	Nil	Nil
	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
	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
	At the beginning of the year	392859	36.59%	401082	36.59%
	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):				
	At the end of the year	400917	37.35%	4001082	37.36%

**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	113,348,464	14,941,526	0	128,289,990
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	113,348,464	14,941,526		128,289,990
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,069,264,755	218,750	0	2,069,483,505
* Reduction	2,084,073,424	10,200,411	0	2,094,273,835
<b>Net Change</b>	(14,808,669)	(9,981,661)	0	(24,790,330)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	98,539,795	4,959,865	0	103,499,660
ii) Interest due but not paid	0.00	0.00	0	0
iii) Interest accrued but not due	0.00	0.00	0	
<b>Total (i+ii+iii)</b>	98,539,795	4,959,865	0	103,499,660

For and on behalf of the Board of Directors

Anil Patel  
Chairman & Managing Director

VANSETI  
5<sup>th</sup> July, 2016





**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>, 2016**

**[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]**

**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, 2016, 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, 2016, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 : July 5, 2016

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.**  
Practicing Company Secretaries

**(Devesh R. Desai)**  
Proprietor  
ACS No. 11332 and CP No. 7484

Place : Vadodara  
Date : July 5, 2016

**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

<b>MR NILESH PATEL</b>	<b>PROFESSIONAL DIRECTOR</b>	<b>RS . NIL</b>
------------------------	------------------------------	-----------------

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Kalpvrux Converting prod. P Ltd
b)	Nature of contracts/arrangements/transaction	PURCHASE MACHINERY PARTS/ REPARING
c)	Duration of the contracts/arrangements/transaction	Financial year 2015-2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

<b>MR NILESH PATEL</b>	<b>PROFESSIONAL DIRECTOR</b>	<b>RS 10.91 Lac</b>
------------------------	------------------------------	---------------------

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	OM SUNTRONICS CONVERTING EQUIPMENTS P LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE MACHINERY PARTS / REPARING
c)	Duration of the contracts/arrangements/transaction	Financial Year 2015-2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

<b>MRS KOKILA PATEL</b>	<b>DIRECTOR</b>	<b>RENT RS 1.50 Lacs</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	ANUPAM TRADING CO
b)	Nature of contracts/arrangements/transaction	RENT EXPENSES
c)	Duration of the contracts/arrangements/transaction	Financial Year 2015-2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

<b>DIRECTOR ARE SHARE HOLDER</b>	<b>SALES Rs 29.98 LACS</b>
	<b>LOANS Rs 36.58 LACS</b>

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	STAG PRINT P LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE / LOAN
c)	Duration of the contracts/arrangements/transaction	Financial Year 2015-2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

KUNAL PATEL	PARTNER	PURCHASE	RS 315.95 lacs
		COMMISSION	Rs 0.60 lacs

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	AMAN ENTERPRISES
b)	Nature of contracts/arrangements/transaction	PURCHASE
c)	Duration of the contracts/arrangements/transaction	Financial Year 2015-2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

ANIL PATEL	REMUNERATION	RS 60.00 lacs
	INTEREST	RS 2.18 lacs
	LOAN TAKEN	RS 42.49 lacs

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	ANIL PATEL
b)	Nature of contracts/arrangements/transaction	REMUNERATION / UNSECURED LOAN / INTEREST
c)	Duration of the contracts/arrangements/transaction	Financial Year 2015-2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

<b>KUNAL PATEL</b>	<b>REMUNEARTION RS 30.00 LACS</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	KUNAL PATEL
b)	Nature of contracts/arrangements/transaction	REMUNERATION
c)	Duration of the contracts/arrangements/transaction	Financial Year 2015 2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

**B. Details of materials contracts or arrangement or transactions at arm's length basis :**

Sr. No.	Name(s) of the related party and nature of relationship:	Nature of contracts arrangements/ transactions	Duration of the contracts / arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:
(A)	(B)	(C)	(D)	(E)
1	Mr. Kunal Patel (Director) Appointed With Effect From 06.08.2014	Employment : Managerial Personnel  Unsecured Loan	Director- Remuneration  Ongoing Basis	Director Remuneration  Unsecured loan
3	Mr. Anil Patel Patel (Managing Director) Appointed With Effect From 06.08.2014	Employment : Managerial Personnel  Unsecured Loan and Interest	Managing Director- Remuneration  Ongoing Basis	Director Remuneration  Unsecured Load from Director and Interest Paid .
4	Aman Enterprises	Purchase Of Raw Material	Ongoing Basis	Purchase Of Gravure Inks and commission Paid
6	Stag Print P Ltd	Sales and Loan given	Ongoing Basis	Selling of Material and Loan Given
7	Anupam Trading Co.	Rent Paid	Ongoing Basis	Office Rent Paid
8	Om Suntronics Converting Equipments P Ltd	Purchase Of Capital Goods And Services	Ongoing Basis	Purchase and Repairing of Machine and Parts
8	Kalpavrx Converting Product P Ltd	Purchase Of Capital Goods And Services	Ongoing Basis	Purchase and Repairing of Machine and Parts

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

**Anil Patel  
Chairman & Managing Director**

**VANSETI  
5<sup>th</sup> July, 2016**



**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> 2016. 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

Kalpiti Bhagat  
( Partner )

Vadodara:  
5<sup>th</sup> July, 2016

*Shah Mehta & Bakshi  
Chartered Accountants*

## INDEPENDENT AUDITORS' REPORT

### To the Members of Purity Flexpack Limited

#### 1. Report on the Financial Statements

We have audited the accompanying financial statements of **Purity Flexpack Limited** ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Financial Statements

The Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation and presentation 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 includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

#### 3. Auditor's Responsibility

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 required 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. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements 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 accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors of the company, as well as evaluating the overall presentation of the financial statements.

*Shah Mehta & Bakshi  
Chartered Accountants*

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.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2016, its Profit and its cash flows for the year ended on that date.

#### 5. Report on other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of the section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
- ii. 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 applicable 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 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
  - g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company has made adequate provision as required under the applicable law or accounting standard, for material foreseeable losses if any on long term contracts. As per information and explanation given to us and based on records examined, the company has not entered into any derivative contract.

*Shah Mehta & Bakshi*  
*Chartered Accountants*

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- iii. As per information and explanation given to us and based on records examined, there are no amounts that are required to be transferred to the Investor Education and Protection Fund by the company.

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

*(Kalpit Bhagat)*  
**Partner**  
Membership No. 142116  
Place: Vadodara  
Date: 5<sup>th</sup> July 2016

*Shah Mehta & Bakshi  
Chartered Accountants*

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#### **Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- i. (a) The Company has in general maintained proper records showing full particulars, including quantitative details and situation of fixed asset;  
  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets having substantial value were verified during the year and no material discrepancy has been noticed. In our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.  
  
(c) According to the information and explanations given to us and on the basis of the records of the Company the title deeds of the immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has granted loan to companies covered in the register maintained under section 189 of the Act, of the value ₹ 36.58 lacs (P.Y. ₹ 36.70 lacs).
- iv. The Company has not granted any loans, investment, guarantees and the securities as envisaged u/s 185 & 186 of the Act.
- v. In our opinion and according to information & explanations given to us, the Company has not accepted any deposits from the public as per the provisions of the Act.
- vi. On the basis of certificate received from Cost Accountant of the Company, the company has prima facie maintained cost records prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues;  
  
(a) The company is generally regular in depositing the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Value Added Tax, Service Tax, Custom Duty, Cess and any other statutory dues, as applicable, with the appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance and duty of excise.

There was no amount payable in respect of undisputed statutory dues, including Provident Fund, Income Tax, Value Added Tax, Service Tax, Custom Duty, Cess and other statutory dues in arrears as on 31<sup>st</sup> March 2016 for the period of more than six months from the date they become payable.

*Shah Mehta & Bakshi  
Chartered Accountants*

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- (b) According to information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues which have not been deposited as on 31<sup>st</sup> March, 2016 on account of dispute.
- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of Loans or borrowings to financial institutions, bank & Government. The company has not issued any debentures.
- ix. The company has not raised money by way of term loan or initial public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for the managerial remuneration in accordance with the provision of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with section 177 & 188 of the Act, wherever applicable and the details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has applied the proceeds of funds received on account of preferential allotment / private placement of shares. The company has not issued any debt instruments during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. In our opinion and according to the information and explanations given to us the company is not required to be registered u/s 45 IA of the Reserve bank of India Act 1934.

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

*(Kalpit Bhagat)*

**Partner**

Membership No. 142116

Place: Vadodara

Date: 5<sup>th</sup> July 2016

*Shah Mehta & Bakshi  
Chartered Accountants*

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**Annexure-B: Report on the Internal Financial Controls under Clause (i) of sub section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Purity Flexpack Limited** (“the Company”) as of 31<sup>st</sup> of March, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

*Shah Mehta & Bakshi  
Chartered Accountants*

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### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

*(Kalpit Bhagat)*

**Partner**

Membership No. 142116

Place: Vadodara

Date: 5<sup>th</sup> July 2016



## Balance Sheet as at 31<sup>st</sup> March 2016

Balance Sheet as at 31-March-2016			
Particulars	Note	As at 31-03-16 ₹	As at 31-03-15 ₹
<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	90,228,904	71,222,508
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	44,677,224	52,744,527
(b) Deferred tax liabilities (Net)	5	20,951,543	18,267,299
(3) Current Liabilities			
(a) Short-term borrowings	6	39,954,931	53,576,787
(b) Trade payables	7	67,592,866	76,521,810
(c) Other current liabilities	8	20,977,771	25,901,681
(d) Short-term provisions	9	2,629,902	1,791,052
<b>TOTAL</b>		<b>297,747,141</b>	<b>310,759,664</b>
<b>II. Assets</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	180,322,652	160,515,889
(ii) Capital Work-in-Progress		-	5,657,808
(b) Non-current investments	11	130,000	130,000
(2) Current assets			
(a) Inventories	12	46,922,863	70,776,691
(b) Trade receivables	13	53,164,043	49,167,578
(c) Cash and cash equivalents	14	2,400,385	2,764,392
(d) Short-term loans and advances	15	6,110,517	7,270,430
(e) Other current assets	16	8,696,681	14,476,876
<b>TOTAL</b>		<b>297,747,141</b>	<b>310,759,664</b>
Significant Accounting Policies	1		
Notes on Financial Statements			

As per Annexed Report of even date

For Shah Mehta &amp; Bakshi

Chartered Accountants

Registration No : 103824W

Kalpit Bhagat

(Partner)

M No 142116

Vadodara, Dated - 5th July 2016

For &amp; on behalf of the Board

Anil Patel

(Chairman &amp; Managing Director) (Director)

DIN : 00006904

Halol, Dated - 5th July 2016

Kunal Patel

(Director)

DIN: 00106545

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2016

Statement of Profit and Loss for the year ended 31-March-2016			
	Note	Year ended on 31-03-16 ₹	Year ended on 31-03-15 ₹
I Revenue from operations	17	560,129,533	521,556,216
Less: Excise Duty		47,824,403	47,562,105
		<b>512,305,130</b>	473,994,111
II Other Income	18	1,043,249	1,115,898
III. Total Revenue (I + II)		<b>513,348,379</b>	475,110,009
IV Expenses:			
Cost of materials consumed	19	358,503,483	362,448,274
Manufacturing Expenses	20	33,632,894	28,652,114
Changes in inventories of FG,WIP, Stock-in-Trade	21	14,467,191	572,977
Employee benefit expense	22	30,811,518	29,773,033
Financial costs	23	12,852,990	11,012,077
Depreciation and amortization expense	10	13,573,627	12,021,617
Other expenses	24	20,940,800	16,591,434
Total Expenses		<b>484,782,503</b>	461,071,526
V Profit before tax (III-IV)		<b>28,565,876</b>	14,038,483
VI Tax expense:			
(1) Current tax		6,861,353	2,855,935
(2) MAT Credit		-	(1,491,415)
(3) Prior Period Taxes		13,883	-
(4) Deferred tax		2,684,244	3,229,582
VII Profit for the period after Tax (V - VI)		<b>19,006,396</b>	9,444,381
VIII Earning per equity share of face value of ₹10 each			
Basic and Diluted (in ₹)		<b>17.71</b>	8.80
Significant Accounting Policies	1		
Notes on Financial Statements			

As per Annexed Report of even date

**For Shah Mehta & Bakshi****Chartered Accountants**

Registration No : 103824W

**For & on behalf of the Board****Kalpit Bhagat**

(Partner)

M No 142116

Vadodara, Dated - 5th July 2016

**Anil Patel**

(Chairman &amp; Managing Director)

DIN : 00006904

Halol, Dated - 5th July 2016

**Kunal Patel**

(Director)

DIN: 00106545

## 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 difference 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) 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.

#### **R 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 (PY 1073400) Equity Shares of ₹ 10/- each fully paid up

Total

- 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

As at 31-03-16	As at 31-03-15
₹	₹
60,000,000	60,000,000
10,734,000	10,734,000
10,734,000	10,734,000
1,073,400	1,073,400
-	-
1,073,400	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 31-03-16		As at 31-03-15	
	No	% holding	No	% holding
Anil Patel	159,978	14.90	159,813	14.89
Kokila Patel	174,307	16.24	174,307	16.24
Vaishali Amin	111,116	10.35	111,116	10.35
Kunal Patel	56,530	5.27	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 Packaging Ltd.
- b) General Reserve
- As per last Balance Sheet
- Addition during the year
- Closing Balance
- c) Surplus in statement of profit and loss
- As per last Balance Sheet
- Add: Profit for the year

As at 31-03-16	As at 31-03-15
₹	₹
2,700,000	2,700,000
2,145,067	2,145,067
4,845,067	4,845,067
26,167	26,167
-	-
26,167	26,167
66,351,274	56,906,893
19,006,396	9,444,381
85,357,670	66,351,274
90,228,904	71,222,508

Total

## 4 Term Loans

	Non-Current Portion		Current Maturities	
	As at 31-03-16	As at 31-03-15	As at 31-03-16	As at 31-03-15
	₹	₹	₹	₹
Indian rupee loan from banks (Secured)				
HDFC Bank				
Term Loan I	-	115,156	103,787	89,618
Term Loan II	-	525,481	525,481	976,965
Term Loan III	32,112	396,871	364,759	329,365
Term Loan IV	62,339	236,829	174,490	157,164
Axis Bank				
Term Loan I	2,010,184	-	889,816	-
Term Loan II	-	-	-	3,029,821
Term Loan III	4,415,496	6,238,978	1,800,000	1,800,000
Term Loan IV	5,094,366	7,112,469	1,992,000	1,992,000
Term Loan V	-	3,212,960	3,129,169	7,380,000
Term Loan VI	32,750,733	33,469,526	10,200,000	7,650,000
From Financial Institutions (Unsecured)				
Magma Fincap - Business Loan	311,994	1,436,257	1,124,263	949,635
	<b>44,677,224</b>	<b>52,744,527</b>	<b>20,303,765</b>	<b>24,354,568</b>
Secured borrowings	<b>44,365,230</b>	<b>51,308,270</b>	<b>19,179,502</b>	<b>23,404,933</b>
Unsecured borrowings	<b>311,994</b>	<b>1,436,257</b>	<b>1,124,263</b>	<b>949,635</b>
Amount disclosed under the head "other current liabilities" (note 9)			<b>(20,303,765)</b>	<b>(24,354,568)</b>
Net Amount	<b>44,677,224</b>	<b>52,744,527</b>	<b>-</b>	<b>-</b>

- a) Term Loan - HDFC Term Loan I ₹ 1.04 Lacs (PY ₹ 2.04 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 @ 12.00% P.a.
- b) Term Loan - HDFC Term Loan II ₹ 5.25 lacs (PY ₹ 15.02 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.
- c) Term Loan - HDFC Term Loan III ₹ 3.97lacs (PY ₹ 7.26 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.
- d) Term Loan - HDFC Term Loan IV ₹ 2.37 lacs (PY ₹ 3.94 Lacs ) 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.
- e) Term Loan - Axis Bank Term Loan I ₹ 29.00 (PY ₹ nil lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of ₹ 0.93 lacs along with Interest @ 9.65% P.a.
- f) Term Loan - Axis Bank Term Loan II ₹ nil lacs (PY ₹ 30.30 lacs) secured by way of Hypothecation of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc 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.
- g) Term Loan - Axis Bank Term Loan III ₹ 62.15 lacs (PY ₹ 80.39 lacs) 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. 12.25%) p.a.

- h) Term Loan - Axis Bank Term Loan IV ₹ 70.86 lacs (PY ₹ 91.04 Lacs) 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. 12.25%) p.a.
- i) Term Loan - Axis Bank Term Loan V ₹ 31.29 lacs (PY ₹ 105.93 lacs) 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. 12.25%) p.a.
- j) Term Loan - Axis Bank Term Loan VI ₹ 429.50 lacs (PY ₹ 411.19 \* lacs) 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. 12.25%) p.a.
- \* ₹ 411.19 Lacs includes ₹ 266.90 Lacs (245.00 \$) towards One time FLC for Capital goods for the usance period of 365 days, convertible into INR Term Loan after the expiry of the usance period.
- k) Term Loan -Magma Fincap ₹ 14.36 lacs (PY ₹ 23.85 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 ₹ 0.80 lacs along with Interest @ 16.68% P.a.

All the facilities (funded & Non-funded) are further secured by personal guarantee of the Directors of the Company.

##### 5 Deferred Tax Liabilities

- a) Deferred Tax Liability  
Related to Depreciation on fixed Assets
- b) Deferred Tax Assets  
Related to Gratuity

Net Deffered Tax Liability

##### 6 Short Term Liabilities

- 1) Secured Loans from Axis Bank  
Cash Credit
- Total
- 2) Unsecured Loans  
From Directors  
A B Patel  
K A Patel  
H S Bhatt
- Total

	As at 31-03-16 ₹	As at 31-03-15 ₹
	22,101,374	19,315,356
	1,149,831	1,048,057
	<b>20,951,543</b>	<b>18,267,299</b>
	34,995,066	38,635,261
	<b>34,995,066</b>	<b>38,635,261</b>
	4,249,265	4,052,390
	-	10,178,536
	710,600	710,600
	<b>4,959,865</b>	<b>14,941,526</b>
	<b>39,954,931</b>	<b>53,576,787</b>

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 @ 4.25% above Base Rate (i.e. 11.5%)



**7 Trade Payables**

- 1) For Raw Materials
- 2) For Expenses
- 3) For Others

Total

As at 31-03-16 ₹	As at 31-03-15 ₹
46,364,525	56,867,419
21,228,341	19,490,009
-	164,382
<b>67,592,866</b>	<b>76,521,810</b>

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.

**8 Other Current Liabilities**

- 1) Current Maturities of the Term Loan (Note 4)
- 2) Sales Tax
- 3) Employees Contribution to PF
- 4) TDS payable
- 5) Advance Received

Total

20,303,765	24,354,568
15,814	15,274
105,419	106,504
552,773	41,335
-	1,384,000
<b>20,977,771</b>	<b>25,901,681</b>

**9 Short Term Provisions**

- 1) Directors Remuneration Payable
- 2) Other Provisions
- 3) Provision for Income Tax

Total

638,843	382,141
1,369,325	1,408,911
621,734	-
<b>2,629,902</b>	<b>1,791,052</b>

10 Fixed Assets :

Sr. No	Name of Asset	GROSS BLOCK			DEPRECIATION				NET BLOCK			
		As on 01-Apr-15	Addition	Deduction	Total as on 30-Mar-16	Up to 01-Apr-15	Charged to Profit & Loss	For the Year	Deduction	Total as on 30-Mar-16	As on 30-Mar-16	As on 31-Mar-15
1	Land (Freehold)	431,964	-	-	431,964	-	-	-	-	-	431,964	431,964
2	Factory Building	31,420,140	-	-	31,420,140	9,787,939	980,899	-	10,768,838	20,651,502	20,651,502	21,632,201
3	Road	-	2,487,246	-	2,487,246	-	25,942	-	25,942	2,461,304	2,461,304	-
4	Administrative Bldg.	3,113,647	13,350,434	-	16,464,081	796,587	207,670	-	1,004,257	15,459,824	15,459,824	2,317,060
5	Plant & Machinery	167,690,414	11,720,072	-	179,410,486	55,878,253	9,645,091	-	65,523,344	113,887,142	113,887,142	111,812,161
6	Solar Plant	14,686,087	-	-	14,686,087	1,094,110	936,127	-	2,030,237	12,655,850	12,655,850	13,591,977
7	Electrical Installation	4,466,017	-	-	4,466,017	2,637,188	317,934	-	2,955,122	1,510,895	1,510,895	1,828,829
8	Office Equipments	812,606	1,788,702	-	2,601,308	679,690	157,262	-	836,952	1,764,356	1,764,356	132,916
9	Fire Fighting Equip.	21,858	-	-	21,858	21,858	-	-	21,858	-	-	-
10	Furniture & Fixtures	1,935,218	2,449,295	-	4,384,513	1,626,555	120,817	-	1,747,372	2,637,141	2,637,141	308,663
11	Vehicles	10,829,127	3,242,267	2,643,413	11,427,981	2,630,270	1,074,524	940,672	2,764,122	8,663,859	8,663,859	8,198,857
12	Laboratory Equipment	171,852	-	-	171,852	87,283	24,391	-	111,674	60,178	60,178	84,569
13	Computer	913,141	45,115	-	958,256	736,449	83,170	-	819,619	138,637	138,637	176,692
	<b>Total</b>	<b>236,492,071</b>	<b>35,083,131</b>	<b>2,643,413</b>	<b>268,331,789</b>	<b>75,976,182</b>	<b>13,573,627</b>	<b>940,672</b>	<b>88,609,137</b>	<b>180,322,652</b>	<b>180,322,652</b>	<b>160,515,889</b>
	<i>Previous Year</i>	<i>175,651,901</i>	<i>62,711,416</i>	<i>1,871,246</i>	<i>236,492,071</i>	<i>64,646,301</i>	<i>11,060,722</i>	<i>691,736</i>	<i>75,976,182</i>	<i>160,515,889</i>	<i>160,515,889</i>	<i>111,005,600</i>

	As at 31-03-16 ₹	As at 31-03-15 ₹
<b>11 Non Current Investments</b>		
Non-trade investment (unquoted at cost)		
Investment in Equity Instruments (Fully Paid) 1300 (PY 1300) shares of Stag Print P LTd ` 100/- each	130,000	130,000
Total	130,000	130,000
<b>12 Inventories</b>		
(Inventories are carried at the lower of cost and net realisable value)		
1) Raw materials	30,731,196	35,318,958
2) Work-in-progress	3,791,577	15,103,821
3) Finished goods	882,635	4,037,582
4) Stores & Spares , Cylinders & Others	10,785,039	14,164,609
5) Packing Materials	732,416	2,151,721
Total	46,922,863	70,776,691
<b>13 Trade Receivables</b>		
(Unsecured and Considered Good)		
Over six months	6,002,855	4,528,631
Others	47,161,188	44,638,947
Total	53,164,043	49,167,578
<b>Outstanding Receivables from Related Parties:</b>		
(Unsecured and Considered Good)		
Over six months	-	-
Others	2,516,640	296,975
	2,516,640	296,975
<b>14 Cash and cash equivalents</b>		
i Balance with Schedule Banks	(3,913,717)	(2,315,502)
ii Cash on hand	339,438	415,070
iii Other Bank Balances Fixed Deposit with Bank	5,974,664	4,664,824
Total	2,400,385	2,764,392
<b>15 Short Term Loans and Advances</b>		
(Unsecured and Considered Good)		
Advance Tax (Including TDS) (net)	1,062,750	1,351,166
MAT Credit	5,047,767	5,919,264
Total	6,110,517	7,270,430

		As at 31-03-16	As at 31-03-15
		₹	₹
<b>16</b>	<b><u>Other Current Assets</u></b>		
	1) Security Deposit	2,609,874	2,750,281
	2) Staff Advances	-	9,250
	3) Other Receivables		
	i) From Related Parties	3,658,175	3,669,504
	ii) From Others	2,428,632	8,047,841
	Total	8,696,681	14,476,876
		Current Year	Previous Year
<b>17</b>	<b><u>Revenue from Operations</u></b>		
	Sale of Products	555,963,459	519,977,107
	Job Work	3,975,972	1,511,505
	Export benefit received	190,102	67,604
	Total	560,129,533	521,556,216
17.1	Sale of Products (Net)		
	Sales - Domestic	490,971,132	461,980,776
	Sales - Exports	17,167,924	10,434,226
	Total	508,139,056	472,415,002
<b>18</b>	<b><u>Other Income</u></b>		
	Bank Interest	371,511	437,579
	Interest Others	671,738	678,319
	Total	1,043,249	1,115,898
<b>19</b>	<b><u>Cost of Materials Consumed</u></b>		
	Imported	41,576,187	58,585,006
	Indigenous	316,927,296	303,863,268
	Total	358,503,483	362,448,274
19.1	Consumption (in %)		
	Imported	11.60%	16.16%
	Indigenous	88.40%	83.84%
	Total	100.00%	100.00%
19.2	Particulars of materials consumed		
	Granuals	94,443,196	100,605,823
	Paper	88,852,027	97,613,449
	Ink	42,962,181	37,197,930
	Others	132,246,079	127,031,072
	Total	358,503,483	362,448,274

	Current Year ₹	Previous Year ₹
<b>20 <u>Manufacturing Expenses</u></b>		
Freight & Carriage	6,106,367	5,454,703
Power, Fuel & Water Charges	14,272,312	14,896,799
Packing Materials Consumed	2,298,194	2,062,118
Consumable Stores & Dies	6,273,587	3,514,958
Excise duty (Net)	395,367	192,049
Repairs & Maintenance	2,921,637	1,295,313
Factory Expenses	686,648	609,954
Security Expenses	678,782	626,220
Total	<b>33,632,894</b>	<b>28,652,114</b>
<b>21 <u>Changes in Inventories of FG, WIP, Stock in Trade</u></b>		
Closing Stock		
Finished Goods	882,635	4,037,582
Semi - Finished Goods	3,791,577	15,103,821
Less : Opening Stock		
Finished Goods	4,037,582	2,361,719
Semi - Finished Goods	15,103,821	17,352,661
Total	<b>(14,467,191)</b>	<b>(572,977)</b>
<b>22 <u>Employee Benefit Expenses</u></b>		
Salaries & Wages	18,324,206	17,696,080
Directors' Remuneration	9,000,000	6,600,000
Contribution to Provident & Other Funds		
Provident Fund	1,579,237	1,522,322
Gratuity	1,733,006	3,630,257
Staff Welfare Expenses	175,069	324,374
Total	<b>30,811,518</b>	<b>29,773,033</b>
<b>23 <u>Financial Costs</u></b>		
Interest		
On Bank Loan	10,275,858	9,196,225
On Other Loans	950,221	1,083,584
Less Interest Capitalised	(793,094)	(685,813)
	<b>10,432,985</b>	<b>9,593,996</b>
Bank Commission & Charges	2,420,005	1,418,081
Total	<b>12,852,990</b>	<b>11,012,077</b>

**24 Other Expenses**

Administrative & Other Selling Expenses

	Current Year ₹	Previous Year ₹
Rent, Rates & Taxes	302,436	328,363
Postage & Telephone	546,765	404,833
Printing & Stationery	86,458	144,644
Office Expenses	168,291	115,836
Insurance	740,741	574,497
Repairs and Maint. ( Other )	655,773	622,887
Travelling Expenses	502,970	487,342
Conveyance Exps.	715,289	840,902
Auditors' Remuneration	103,050	73,034
Legal Exps. & Professional Fees	1,193,756	867,985
Carriage Outward & Export exps	4,623,861	4,461,874
Advertisements	-	226,073
Commission on Sales	9,400,474	5,453,780
Computer Expenses	202,294	48,225
Entertainment Exps.	363,149	186,572
Professional Tax	2,500	2,500
Licence Fees / ECGC / Filing Fees	74,349	924,169
General Miscellaneous Expenses	1,147,088	183,716
Donations	89,000	85,000
Loss on Sale of Assets	22,556	528,510
Prior Period Expenses	-	30,692

Total

20,940,800 16,591,434

**25 Earnings per Share (EPS)**

1) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (‘)	19,006,396	9,444,381
2) Weighted Average number of shares	1,073,400	1,073,400
3) Basic and Diluted Earnings per share (‘)	17.71	8.80
4) Face Value per equity share (‘)	10.00	10.00

(Rs In Lacs)

**26 Value of Imports on CIF Basis**

Raw Material	415.76	229.64
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**27 Remuneration to Auditors - (Incl Ser Tax)**

Audit Fees	0.65	0.51
Tax Audit Fees	0.38	0.22

1.03 0.73

**28 Expenditure in Foreign Currency on Account of**

Foreign Travel Expenses	4.17	3.80
Import of Raw Material	333.03	187.82
Purchase of Capital Goods	105.40	358.43

**29 Earning in Foreign Exchange**

Export of goods on FOB basis	66.35	43.26
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**30 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	Total
<b>(A) Transactions</b>			
Sales	-	29.98	29.98
	-	(2.97)	(2.97)
Interest Income	-	4.32	4.32
	-	(3.35)	(3.35)
Purchases	-	315.95	315.95
	-	(409.00)	(409.00)
Rent	-	1.50	1.50
	-	(1.50)	(1.50)
Remuneration & Perquisites	90.00	-	90.00
	(66.00)	-	(66.00)
Repair & Maintenance	-	10.91	10.91
	-	0.37	0.37
Interest Expenses	2.19	-	2.19
	(2.27)	-	(2.27)
Sales Commission	-	0.60	0.60
	-	-	-
Unsecured Loan (Net)	*(101.79)	-	(101.79)
	(125.00)	-	(125.00)
Realisation of Loans & Advances	-	4.00	4.00
	-	(8.36)	(8.36)
<b>(B) Balances at the year end</b>			
Unsecured Loans	42.49	7.10	49.59
	(142.31)	(7.10)	(149.41)
Sundry Creditors	-	119.26	119.26
	-	(117.43)	(117.43)
Remuneration Payable	6.39	-	6.39
	(3.82)	-	(3.82)
Investment in Equity Shares	-	1.30	1.30
	-	(1.30)	(1.30)
Sundry Debtors	-	25.17	25.17
	-	(2.97)	(2.97)
Loans & Advances	-	36.58	36.58
	-	(36.70)	(36.70)

\* During the year the company has repaid the unsecured loan of Rs. 101.79 Cr. to the director.

- 31 Raw - materials consumed includes materials used for Job Work, which is very insignificant.
- 32 Previous year figures have been recast/restated to confirm to the classification of the current period.
- 33 Balance of Debtors, Creditors, Un-Secured Loan, Advances and Bank's Outstation Collection Accounts are subject to confirmation & reconciliation if any.

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As per Annexed Report of even date

**For Shah Mehta & Bakshi**

**Chartered Accountants**

Registration No : 103824W

**For & on behalf of the Board**

**Kalpit Bhagat**

(Partner)

M No 142116

Vadodara, Dated - 5th July 2016

**Anil Patel**

(Chairman & Managing Director)

DIN : 00006904

Halol, Dated - 5th July 2016

**Kunal Patel**

Director

DIN: 00106545



Particulars	As at 31-03-16	As at 31-03-15
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax & extraordinary items	28,565,876	14,038,483
<u>Adjustments For :</u>		
Add Depreciation	13,573,627	12,021,617
Loss / (Profit) on sales of Discarded Assets	22,556	528,510
Finance Charges	12,852,990	11,012,077
Less Dividend & Other Income	(1,043,249)	(1,115,898)
Operating Profit Before Working Capital Changes	53,971,800	36,484,789
<u>Adjustments For :</u>		
(Increase) / Decrease In Inventories	23,853,828	(8,136,075)
(Increase) / Decrease Receivables & Other assets	2,943,643	(10,532,243)
Increase (Decrease) in Trade And Other Payables	(8,963,201)	(3,952,047)
Cash Generated from Operations	71,806,070	13,864,424
Tax Paid	(6,875,236)	(1,364,520)
Net Cash From Operating Activities	64,930,834	12,499,904
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale (Purchase) of Fixed Assets	(29,425,323)	(68,291,184)
Proceeds from Sale of Fixed Assets	1,680,185	651,000
Interest & Dividend Received	1,043,249	1,115,898
Net Cash flow / use In Investing Activities	<b>(26,701,889)</b>	<b>(66,524,286)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Charges	(12,852,990)	(11,012,077)
Increase (Decrease) in Secured Loan	(14,808,666)	60,678,900
Increase (Decrease) in Unsecured Loan	(10,931,296)	379,049
<b>Net Cash From / (In) Financing Activities</b>	<b>(38,592,952)</b>	<b>50,045,872</b>
<b>D Net Increase In Cash And Cash Equivalents ( A + B + C )</b>	(364,007)	(3,978,510)
<b>E Opening Cash And Cash Equivalents</b>	2,764,392	6,742,902
<b>F Closing Cash And Cash Equivalents (D+E)</b>	2,400,385	2,764,392

**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**  
Registration No : 103824W

**For & on behalf of the Board**

**Kalpit Bhagat**  
(Partner)  
M No 142116  
Vadodara, Dated - 5th July 2016

**Anil Patel**  
(Chairman & Managing Director)  
DIN : 00006904  
Halol, Dated - 5th July 2016

**Kunal Patel**  
(Director)  
DIN: 00106545





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