



PURITY FLEXPACK LTD.

29th ANNUAL REPORT
2016-2017

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.

29th Annual General Meeting

DAY : Saturday
: 2nd September 2017
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 29th ANNUAL GENERAL MEETING of the Shareholders of PURITY FLEXPACK LIMITED will be held on SATURDAY, the 2ND SEPTEMBER, 2017 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 Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon
2. To appoint a Director in place of Mrs. Kokila A. Patel, (DIN No. 00106487) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Harshad Bhatt, (DIN No. 00194195) who retires by rotation and being eligible offers himself for re-appointment
4. To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, 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 2017-18 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on 31st March, 2018 as may be determined by the Audit Committee in consultation with the Auditors.”

SPECIAL BUSINESS:

5. Re-appointment of Mr. Anil B. Patel (DIN 00006904) as a Managing Director:

To consider and, if thought fit, to pass the following Resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Anil B. Patel (DIN: 00006904) as the Managing Director of the Company with effect from 1st April, 2017 (the date of appointment) up to 31st March, 2020, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Anil B. Patel.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

6. Re-appointment of Mr. Kunal A. Patel (DIN 00106545) as a Whole-time Director:

To consider and, if thought fit, to pass the following Resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Kunal A. Patel (DIN: 00106545) as the Whole-time Director of the Company with effect from 1st April, 2017 (the date of appointment) up to 31st March, 2020, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Kunal A. Patel.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

7. Re-appointment of Mr. Daxesh B. Patel as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Daxesh B. Patel (DIN: 00194232), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2017 to 31st March 2022, and whose office shall not be liable to retire by rotation.”

8. Re-appointment of Mr. Darshkkumar S. Sheth as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Darshkkumar S. Sheth (DIN: 01292460), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2017 to 31st March 2022, and whose office shall not be liable to retire by rotation.”

9. Re-appointment of Mr. Manish A. Baxi as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manish A. Baxi (DIN: 02011827), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2017 to 31st March 2022, and whose office shall not be liable to retire by rotation.”

10. Re-appointment of Mr. Nilesh N. Patel as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nilesh N. Patel (DIN: 01740293), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2017 to 31st March 2022, and whose office shall not be liable to retire by rotation.”

By Order of the Board of Directors,

Anil Patel
Chairman & Managing Director
DIN No. 00006904

VANSETI
30TH May, 2017

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 **Thursday, the 24th August, 2017 to Friday, the 1st September, 2017** 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

- i. 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 29th 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 30th August, 2017 (9 a.m.) and ends on 1st September, 2017 (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 26th August, 2017 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
3. Click on "Shareholders" tab.
4. Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* 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.</p> <p>* 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.</p>
DOB	<p>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</p>

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. Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
19. 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 26th August, 2017.
20. 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
21. 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.
22. 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.
 - * 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 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.
23. 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 under help section or write an email to helpdesk.evoting@cdslindia.com

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

Name of the Director	DARSHAK SHETH	DAXESH PATEL
Age	44 YEARS	52 YEARS
Qualification	DEE	B.COM
Date of Re-Appointment	22/03/2007	10/02/1997
Expertise	Veteran Businessman	Veteran Businessman
Directorships as on 31 st March, 2014	Precise Automation & Control Pvt. DH Fine Core Pvt. Ltd.	---
Chairman/Membership of the Committee as on 31 st March, 2014	----	Audit Committee Remuneration Committee Share Transfer Committee

Name of the Director	Nilesh N Patel	Manish A. Baxi
Age	44 years	52 YEARS
Qualification	B.E.	B.COM. LL.B, FCA
Date of Appointment	12/05/2008	22/03/2007
Expertise	Veteran Businessman	He is a Chartered Accountant and proficiency in Accountancy matter.
Directorships as on 31 st March, 2014	Om Suntronics Converting Equipments P Ltd KalpvruX Converting Products P Ltd	None
Chairman/Membership of the Committee as on 31 st March, 2014	Audit Committee Remuneration Committee Share Transfer Committee	None

Name of the Director	KOKILA A. PATEL	HARSHAD S. BHATT
Age	62 YEARS	64 YEARS
Qualification	M.A.	B.COM
Date of Appointment	30/08/2003	28/01/1994
Expertise	Business	Veteran Businessman
Directorships as on 31 st March, 2014	---	Vaikunth Infrastructure & Holdings Pvt Ltd.
Chairman/Membership of the Committee as on 31 st March, 2014	----	----

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 10 of the accompanying Notice dated 30th May, 2017.

ITEM No. 5

Mr. Anil B. Patel had been re-appointed as Managing Director of the Company on March 20, 2017 w.e.f April 1, 2017 for a period of 3 years. The term of office of Mr. Anil B. Patel as Managing Director of the Company is due to expire on March 31, 2017. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Anil B Patel as the Managing Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on March 20, 2017 has, subject to the approval of the Shareholders, re-appointed Mr. Anil B. Patel for a further period of 3 years from April 1, 2017.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on March 20, 2017 & subsequently by the Board of Directors in its Board Meeting held on the same date. Therefore the Board proposes to seek approval of the Shareholders of the Company, approving the payment of remuneration of Rs.6,00,000/- per month from 01.04.2017 as detailed here under

Consolidated Salary, Perquisites and Performance Bonus, etc: Rs. 600000/- (Rupees Six Lacs only) per month.

In addition to the above, he shall be entitled to receive the following:-

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Provision of car for use on Company's business.
- (d) Free landline telephone / Electricity etc facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) he shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 5 of the Notice.

Except for Mr. Anil B. Patel, Mr. Kunal A. Patel and Mrs. Kokila A. Patel, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 5.

ITEM No. 6

Mr. Kunal A. Patel had been re-appointed as Whole-time Director of the Company on March 20, 2017 w.e.f April 1, 2017 for a period of 3 years. The term of office of Mr. Kunal A. Patel as Whole-time Director of the Company is due to expire on September 30, 2017. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Kunal A. Patel as the Whole-time Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on March 20, 2017 has, subject to the approval of the Shareholders, re-appointed Mr. Kunal A. Patel for a further period of 3 years from April 1, 2017.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on March 20, 2017 & subsequently by the Board of Directors in its

Board Meeting held on the same date. Therefore the Board proposes to seek approval of the Shareholders of the Company, approving the payment of remuneration of Rs. 400000/- per month w.e.f. 01.04.2017 as detailed here under

Consolidated Salary, Perquisites and Performance Bonus, etc: Rs. 400000/- (Rupees Four Lacs only)per month.

In addition to the above, he shall be entitled to receive the following:-

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Provision of car for use on Company's business.
- (d) Free landline telephone / Electricity etc facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) he shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 5 of the Notice.

Except for Mr. Anil B. Patel, Mr. Kunal A. Patel and Mrs. Kokila A. Patel, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 6.

ITEM No. 7

The Members of the Company, at the 26th Annual General Meeting held on September 27, 2014 had approved the appointment of Mr. Daxesh B Patel as an Independent Director of the Company, whose term is due to expire on 31st March, 2017.

As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Daxesh B. Patel, it is proposed to re-appoint him for the second term as an independent Director on the Board of Purity Fexpack Limited for a period of five years upto 31st March, 2022.

In the opinion of the Board, Mr. Daxesh B. Patel fulfills the conditions specified in the Act; he is independent of the management. Copy of the draft letter for appointment of Mr. Daxesh B. Patel as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Tuesday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Daxesh B. Patel as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 7 of the Notice as a Special Resolution.

Except Mr. Daxesh B. Patel, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

ITEM No. 8

The Members of the Company, at the 26th Annual General Meeting held on September 27, 2014 had approved the appointment of Mr. Darshkkumar S. Sheth as an Independent Director of the Company, whose term is due to expire on 31st March, 2017.

As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Darshkkumar S. Sheth, it is proposed to re-appoint him for the second term as an independent Director on the Board of Purity Fexpack Limited for a period of five years upto 31st March, 2022.

In the opinion of the Board, Mr. Darshkkumar S. Sheth fulfils the conditions specified in the Act; he is independent of the management. Copy of the draft letter for appointment of Mr. Darshkkumar S. Sheth as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Tuesday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Darshkkumar S. Sheth as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 8 of the Notice as a Special Resolution.

ITEM No. 9

The Members of the Company, at the 26th Annual General Meeting held on September 27, 2014 had approved the appointment of Mr. Manish A Baxi as an Independent Director of the Company, whose term is due to expire on 31st March, 2017.

As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Manish A Baxi, it is proposed to re-appoint him for the second term as an independent Director on the Board of Purity Fexpack Limited for a period of five years upto 31st March, 2022.

In the opinion of the Board, Mr. Manish A Baxi fulfils the conditions specified in the Act; he is independent of the management. Copy of the draft letter for appointment of Mr. Manish A Baxi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Tuesday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manish A Baxi as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 9 of the Notice as a Special Resolution.

Except Mr. Manish A Baxi, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

ITEM No. 10

The Members of the Company, at the 26th Annual General Meeting held on September 27, 2014 had approved the appointment of Mr. Nilesh N. Patel as an Independent Director of the Company, whose term is due to expire on 31st March, 2017.

As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Nilesh N. Patel, it is proposed to re-appoint him for the second term as an independent Director on the Board of Purity Fexpack Limited for a period of five years upto 31st March, 2022.

In the opinion of the Board, Mr. Nilesh N. Patel fulfils the conditions specified in the Act; he is independent of the management. Copy of the draft letter for appointment of Mr. Nilesh N. Patel as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Tuesday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nilesh N. Patel as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 10 of the Notice as a Special Resolution.

Except Mr. Nilesh N. Patel, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

By Order of the Board of Directors,

Anil Patel
Chairman & Managing Director
DIN No. 00006904

VANSETI
30TH May, 2017

STATEMENT OF PARTICULARS (ITEM No. 5 and 6)

(Pursuant to Schedule-V of the Companies Act, 2013/Schedule XIII of the Companies Act, 1956)

I. GENERAL INFORMATION

- | | | |
|--|---|---|
| 1. Nature of industry | : | Packaging Industry |
| 2. Date or expected date of commencement of commercial production | : | 24 th November, 1990 |
| 3. In case of new companies, expected date of Commencement of activities as per project approved By the financial institutions appearing in the Prospectus . | : | N.A. |
| 4. Financial performance based on given indicators | : | * PI. Refer table given hereafter. |
| 5. Export performance and net foreign exchange Collaborations | : | N.A. |
| 6. Foreign investments or collaborations, if any | : | N.A. |

II – Information about the appointee: Pls. refer Annexure - A .given hereafter.

- | | | |
|---|----|---|
| 1. Background details | :- | Refer Annexure – “A” Point No. 1 |
| 2. Past remuneration | :- | Refer Annexure – “A” Point No. 2 |
| 3. Recognition or awards | :- | Refer Annexure - “A” Background details |
| 4. Job profile and his suitability | :- | Refer Annexure – “A” Background details |
| 5. Remuneration proposed | :- | Refer Annexure – “A” Remuneration |
| 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | :- | Refer Annexure – “A” Point No. 3 |
| 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | :- | Refer Annexure – “A” Point No. 4 |

III – Other Information :

1. The Company has increased Sales during the year and also increase profit since last three years.
2. Steps taken or proposed to be taken for improvement:
 - a) Adoption of improved techniques for achieving higher production such as: **By adopting world renown solvent Free Lamination System.**
 - b) Implementation of Cost Reduction such as: **As Explained above by saving huge solvent consumption.**
 - c) Steps taken or proposed to be taken for improvement: **Re scheduling of operations which would result in reducing Operating Time and thus saving in cost and manpower.**
3. Expected increase in productivity and profit in measurable terms.

Annexure – A
[// above]

Details of Appointees:

1. Background details:

- Mr. Anil Patel is 60 years of Age and holds Diploma In Electrical Engineering. He has been the managing Director of the Company since last Eighteen Years. During this tenure, by sheer hard work, Practical wisdom, farsightedness and business acumen, he surmounted all Odds- financial, operational & otherwise and put the company into a comfortable position. This is not a small achievement .Prior to taking over the management of the company he was in service in Sevalia Cement Works Limited and held responsible position for a number of years.

2. Remuneration:

- The Details of Past remuneration drawn by Mr. Anil Patel during the last three years are as under.
- During the last three years commencing from 1st April, 2014, Mr. Anil Patel drew remuneration of Rs.500000/- P.M. i.e. Rs.500000 /- P.A. under the head Salary.
- The Nomination and Remuneration Committee of Directors in its meeting held on 20th March, 2017 had recommended payment of remuneration to Mr. Anil Patel at the rate of Rs.600000/- per month for a period of three years from 01/04/2017 and the Board of Directors in their meeting held on 20th March, 2017, have finally approved of the same. He would draw the entire remuneration of Rs. 600000/- p.m. under the head Salary.*

Pursuant to the provisions of the Companies Act, 2013 read with Schedule V, and subject to such approvals as may be necessary, the salary and the perquisites as set out in the Resolution and /or Explanatory Statement annexed to the Notice may be paid as the minimum remuneration to Mr. Anil Patel in absence of inadequacy of profit in any financial year.

- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)
- Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mr. Anil Patel does not hold any other pecuniary relationship with the company or the managerial personnel.

Details of Appointees:**1. Background details:**

Mr. Kunal Patel is M.B.A. from Cardiff University, U.K. and at a very young age of 24 years, he joined the Board of Directors of this Company on 31st march, 2006. He has been devoting his full time and attention for the business and operations of the Company since then. In the process, he has developed some qualities of management. These qualities of management coupled with his maturity and practical wisdom would go a long way in the future growth and development of the Company.

2. Remuneration:

- The Details of Past remuneration drawn by Mr. Kunal A. Patel during the last three years are as under.
- During the last three years commencing from 1st October, 2014, Mr. Kunal A. Patel drew remuneration of Rs.300000 /- P.M. i.e. Rs. 300000 /- P.A. under the head Salary.

The Nomination and Remuneration Committee of Directors in their meeting held on 20th March, 2017, deliberated upon the issue of remuneration payable to Mr. Kunal Patel effective from 1st April, 2017 and they had recommended payment of remuneration to him at the rate of Rs. 400000/- per month for a period of three years effective 1st April, 2017 subject to the condition of fulfilment of all the provisions of the Companies Act, 2013 read with Schedule V.

Pursuant to the provisions of the Companies Act, 2013 read with Schedule V, and subject to such approvals as may be necessary, the salary and the perquisites as set out in the Resolution and /or Explanatory Statement annexed to the Notice may be paid as the minimum remuneration to Mr. Anil Patel in absence of inadequacy of profit in any financial year.

- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)
- Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mr. Kunal A. Patel does not hold any other pecuniary relationship with the company or the managerial personnel.

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

BOARD OF DIRECTORS:

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

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

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

During the year ended 31st March 2017, the Board met 8 (Eight) times on the following dates:

30/04/2016, 10/05/2016, 25/06/2016, 05/07/2016, 08/08/2016, 27/10/2016, 08/02/2017 and 20/03/2017.

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)	8	Yes	--	3
Smt. Kokila Patel	8	Yes	--	--
Mr. Kunal Patel	8	Yes	--	--
Mr. Harshad S. Bhatt	8	Yes	1	1
Mr. Daxesh Patel	8	Yes	--	3
Mr. Darshak Sheth	8	No	2	--
Mr. Manish Baxi	8	No	--	--
Mr. Nilesh N. Patel	8	Yes	--	3

COMMITTEES TO THE BOARD:

PARTICULARS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	STAKEHOLDERS RELATIONSHIP COMMITTEE
Constituted on	29 th June,2001	20 th June,2002	29 th June,2001
Composition	<p>Mr. Anil Patel Mr. Daxesh Patel Mr. Nilesh Patel (Chairman) (From 12.05.2008)</p> <p>The Committee is comprised of 3 Directors including 2 non-executive independent Directors, the Chairman being non-executive independent Director.</p>	<p>Mr. Anil Patel (Chairman) Mr. Daxesh Patel Mr. Nilesh Patel (From 12.05.2008)</p> <p>The Committee is comprised of 3 Directors including 2 non-executive independent Directors.</p>	<p>Mr. Anil Patel (Chairman) Mr. Harshad Bhatt Mr. Daxesh Patel Mr. Nilesh Patel (From 12.05.2008)</p> <p>The Committee is comprised of 4 Directors including 3 non-executive independent Director.</p>
Meeting and Attendance	<p>Five Meetings were held on 30/04/2016, 05/07/2016, 08/08/2016, 27/10/2016 and 08/02/2017 and all the members of the committee were present at the meetings.</p>	<p>One meeting was held during the years 2016-2017 on 20/03/2017</p>	<p>All the members of the Committee were present at the following meetings. 05/07/2016, 27/10/2016, and 08/02/2017</p>
Terms of Reference	<p>The terms of reference of this committee are in line with the norms specified under the Companies Act, 2013</p>	<p>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.</p>	<p>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.</p>

ANNUAL GENERAL MEETINGS:

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

Financial Year	Date	Location of the Meeting	Time
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.
2015-2016	04/08/2016	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 : 02/09/2017 Time : At 11.00 am Venue : At the Registered Office.
Book Closure Date	Thursday, the 24 th August, 2017 to Friday, the 1 st September, 2017(both days inclusive)
Listing on Stock Exchanges	The Vadodara Stock-Exchange, Ltd, Vadodara. The Bombay Stock Exchange Limited, Mumbai
Share Transfer Agent	UNIVERSAL CAPITAL SECURITIES PVT. LTD 21, Mahakali Cave Road, Opp. Satya Saibaba Temple, Andheri (East), Mumbai Phone No.: 022-28207203-05, 2825 7641, 2826 2920, 2836 6620

SHARE TRANSFER SYSTEM:

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

SHAREHOLDING PATTERN AS ON 31ST MARCH 2017:

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	520493	48.49 %
Directors and Relatives	545880	50.86 %
ESOPs	1195	0.11 %
TOTAL	1073400	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2017:

Share Distribution	Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Upto 5000	19438	99.667 %	494483	46.067 %
5001-10000	41	0.210 %	28495	2.655 %
10001-20000	15	0.077 %	21763	2.027 %
20001-30000	1	0.005 %	2550	0.238 %
30001-40000	3	0.015 %	10923	1.018 %
40001-50000	0	0.000 %	0	0.000 %
50001-100000	0	0.000 %	0	0.000 %
100001 & above	5	0.026 %	515186	47.996 %
TOTAL:	19503	100.00 %	1073400	100.00 %

Dematerialisation of Shares

As at March 31, 2017, 2,07,742 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, 2017 are as under:

Particulars	No. of Shares
Shares held in physical form	865658
Shares held in electronic form	202742
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**

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 29th Annual Report together with the Audited Accounts for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS:

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

Particulars	31/03/2017 (Rs.)	31/03/2018 (Rs.)
Net Sales /Income from Business Operations	5601.45	5123.05
Other Income	12.97	2.20
Total Income	5614.42	5125.25
Less Interest	99.60	104.33
Profit before Depreciation	845.24	421.40
Less Depreciation	154.97	135.74
Profit after depreciation and Interest	690.27	285.66
Less Current Income Tax	153.68	68.61
Less Previous year adjustment of Income Tax ,	51.28	0.13
Less Deferred Tax	27.13	26.85
Net Profit after Tax	458.18	190.07
Dividend (including Interim if any and final)	0	0
Net Profit after dividend and Tax	458.18	190.07
Amount transferred to General Reserve	458.18	190.07
Balance carried to Balance Sheet	458.18	190.07
Earning per share (Basic)	42.69	17.71
Earning per Share(Diluted)	42.69	17.71

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 eight 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 31st march 2017 amounted to Rs 5601.45 as against Rs. 5123.05 of the previous year recording a rise of 9.34 %. Likewise net profit also amounted to Rs. 458.18 as against Rs. 190.07 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 Smt. Kokila A. Patel and Shri Harshad Bhatt retire by rotation and, being eligible, offer themselves for re appointment. The Directors recommend Smt. Kokila A. Patel and Shri Harshad Bhatt for re-appointment.

Mr Daxesh B. Patel, Mr. Darshkkumar S. Sheth, Mr. Nilesh N. Patel and Mr. Manish A. Baxi, Directors of the Company, are being re-appointed as Independent Directors for five consecutive years for a term upto March 31, 2022 as per provisions of Section 149 and other applicable provisions of the Companies Act 2013.

A brief resume and functional expertise of the above Directors as required under clause 49 of the Listing agreement is given at the end of the notice convening the Annual General Meeting

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.

RE-APPOINTMENT OF SHRI ANIL PATEL AS MANAGING DIRECTOR AND SHRI KUNAL A. PATEL AS A WHOLE-TIME DIRECTOR FOR A PERIOD OF 3 YEARS:

Shri. Anil Patel has re-appointed as a Managing Director and Shri Kunal A. Patel has re-appointed as a Whole-time Director of the Company, which was approved by the Board of Directors at their meeting held on 20/03/2017. After taking into consideration various factors such as hard work put in by Shri Anil Patel and Shri Kunal Patel as Managing Director and Whole-time Director, their farsightedness, business acumen, practical wisdom and other qualities of management, the Board of Directors of the company at their meeting held on 20/03/2017, after taking into consideration the recommendation of the Nomination And Remuneration Committee of Directors relating to their remuneration had subject to the approval of the company in General Meeting and subject to Fulfilment of all the Conditions laid down in the provisions of the Companies Act, 2013 read with Schedule V. The re-appointment of Shri Anil Patel as a Managing Director for a period of three years commencing from 01/04/2017 on remuneration of Rs.600000/- and Shri Kunal A. Patel as a Whole-time Director for a period of three years commencing from 01/04/2017 on a remuneration of Rs.400000/- and on such terms and conditions more particularly set out in the explanatory statement annexed to the Notice of the Annual General Meeting

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

EXTRACT OF ANNUAL RETURN:

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DEPOSITS

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

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website.

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

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

SECRETARIAL AUDIT:

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

AUDITORS:

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

PARTICULARS OF EMPLOYEES:

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

SHARES:

a. BUY BACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

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

CORPORATE GOVERNANCE:

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti-harassment policy in line with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition And Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the chairman of the committee

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 30th May, 2017 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.

By Order of the Board of Directors,

Anil Patel
Chairman & Managing Director
DIN No. 00006904

VANSETI
30TH May, 2017

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:	2016-17	2015-16
Units (KWH)	1358586	1373514
Total Amount (Rs.)	9533792	10320228
Rate per Unit (Rs.)	7.01	7.51
(b) Own Generation:	148568	187895
Units (KWH)		
Total Amount (Rs.)		
Rate per Unit (Rs.)		
(c) Furnace Oil/LSHS/LDO/HSQ		
Qty. (K.Ltr/Scm)	133472	118436
Total Amount (Rs.)	3729326	3768668
Average Rate (Rs.)	27.94	31.82

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

(i) Foreign Exchange Earning	62.69	65.86
(ii) Foreign Exchange Outgo Foreign Travelling and Purchase	413.00	442.60

**Annexure C to Boards Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on
31st March, 2017**

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L25200GJ1988PLC010514
- ii) Registration Date: 30/03/1988
- iii) Name of the Company: PURITY FLEXPACK LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares
- v) Address of the Registered office and contact details: AT & POST VANSETI
NR. BASKA HALOL
PANCHMAHAL GUJARAT-389350

vi) Whether listed company: YES

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

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

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.

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	Nil	5292	5292	0.49%	Nil	5539	5539	0.51%	0.02%
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4260	543036	547296	50.99	5359	540274	545633	50.83%	0.16%
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	97	97	0.009%	Nil	1195	1195	0.11%	0.101%
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
Sub-total (B)(2):-	4260	548425	552685	51.49%	5359	547008	552367	51.45%	0.04%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3858	548965	553225	51.54%	5359	547548	552907	51.50%	0.04%
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	90148	983252	1073400	100%	207742	855658	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	159978	14.90%	Nil	161748	15.07%	Nil	0.18%
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	57748	5.38%	Nil	0.11%
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	520175	48.46%	520479	48.49%
	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):	8223	0.77%	318	0.03%
	At the end of the year	520175	48.46%	520479	48.49%

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	401082	36.59%	404070	37.64%
	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	401082	37.36%	404070	37.64%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			0	
i) Principal Amount	98539795	4959865	0	103499660
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	98539795	4959865	0	103499660
Change in Indebtedness during the financial year				
* Addition	7846242783	218750	0	7846461533
* Reduction	7867731482	21875	0	7867753357
Net Change	-21488699	196875	0	-21291824
Indebtedness at the end of the financial year				
i) Principal Amount	77051096	5156740	0	82207836
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	77051096	5156740	0	82207836

By Order of the Board of Directors,

Anil Patel
Chairman & Managing Director
DIN No. 00006904

VANSETI
30TH May, 2017



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 31ST, 2017

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31ST, 2017

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, 2017, 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, 2017, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. **Not Applicable to the Company during the Audit Period**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - **Not Applicable to the Company during the Audit Period;**
 - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - **Not Applicable to the Company during the Audit Period;**
 - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - **Not Applicable to the Company during the Audit Period; and**
- H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - **Not Applicable to the Company during the Audit Period.**

6. **The Micro, Small and Medium Enterprises Development Act, 2006.**

7. As informed to us the following other laws specifically applicable to the Company are as under:

1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
2. The Factories Act, 1948
3. The Industrial Employment (Standing Orders) Act, 1946
4. The Maternity Benefit Act, 1961
5. The Minimum Wages Act, 1948
6. The Payment of Wages Act, 1936
7. The Negotiable Instruments Act, 1881
8. The Payment of Gratuity act, 1972
9. The Workmen's Compensation Act, 1922
10. The Contract Labour (Regulation & Abolition) Act, 1970
11. The Industrial Dispute Act, 1947
12. The Payment of Bonus Act, 1965
13. The Employment Exchange Act, 1959
14. The Apprentice Act, 1961
15. The Equal Remuneration Act, 1976
16. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. –
- (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.
Practicing Company Secretaries

(Devesh R. Desai)
Proprietor

ACS No. 11332 and CP No. 7484

Place : Vadodara

Date : 30th May 2017

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.
- 7.

For D.R. Desai & Co.
Practicing Company Secretaries

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

Place : Vadodara
Date : 30th May, 2017

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.

MR NILESH PATEL	PROFESSIONAL DIRECTOR	RS . 29.97 Lac
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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	KALPVUX CONVERTING PRODUCTS P LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE OF MACHINERY PARTS/REPARING
c)	Duration of the contracts/arrangements/transaction	Financial year 2017-18
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.

MR NILESH PATEL	PROFESSIONAL DIRECTOR	RS 1.46 Lac
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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	OM SUNTRONICS CONVERTING EQUIPMENTS P LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE OF MACHINERY PARTS / REPARING
c)	Duration of the contracts/arrangements/transaction	Financial Year 2017-18
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.

MRS KOKILA PATEL	DIRECTOR	RENT : RS 1.50 Lac
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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
c)	Duration of the contracts/arrangements/transaction	Financial Year 2017-18
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.

DIRECTOR ARE SHARE HOLDER :	SALES	: RS 39.72 Lac
	INVESTMENT	: RS 1.30 Lac

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/ INVESTMENT
c)	Duration of the contracts/arrangements/transaction	Financial Year 2017-18
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 IN AMAN	PURCHASE : RS 385.86 Lac
		COMMISSISON : RS 0.20 Lac

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 ENTERPRISE
b)	Nature of contracts/arrangements/transaction	PURCHASE / COMMISSION
c)	Duration of the contracts/arrangements/transaction	Financial Year 2017-18
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.

VAISHALI AMIN	PROFESSIONAL FEES :RS 6.00 LAC
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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	VAISHALI AMIN
b)	Nature of contracts/arrangements/transaction	PROFESSIONAL FEES
c)	Duration of the contracts/arrangements/transaction	Financial Year 2017-18
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.

ANIL PATEL	REMUNERATION	: RS 60.00 Lac
	INTEREST	: RS 2.18 Lac
	LOAN TAKEN	: RS 44.46 Lac

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 /UNSEURED LOAN /INTEREST
c)	Duration of the contracts/arrangements/transaction	Financial Year 2017-18
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	REMUNERATION	: RS 30.00 Lac
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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	KUNAL PATEL
b)	Nature of contracts/arrangements/transaction	REMUNERATION
c)	Duration of the contracts/arrangements/transaction	Financial Year 2017-18
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/transa ctions	Duration of the contracts / arrangements/t ransactions:	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	Director- Remuneration	Director Remuneration
		Unsecured Loan	Ongoing Basis	Unsecured loan
3	Mr. Anil Patel Patel (Managing Director) Appointed With Effect From 06.08.2014	Employment : Managerial Personnel	Managing Director- Remuneration	Director Remuneration
		Unsecured Loan and Interest	Ongoing Basis	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	KalpavruX Converting Product P Ltd	Purchase Of Capital Goods And Services	Ongoing Basis	Purchase and Repairing of Machine and Parts
9	Vaishali Amin	Professional fees	Ongoing Basis	Professional fees

For and on behalf of the Board of Directors

Anil Patel
Chairman & Managing Director

VANSETI
30th May, 2017

*Shah Mehta & Bakshi
Chartered Accountants*

COMPLIANCE CERTIFICATE

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

To
The Members of Purity Flexpack Ltd.

We have examined the compliance of conditions of Corporate Governance by PURITY FLEXPACK LTD., for the year ended March 31st 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 compiled 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)
Membership No. 142116

Vadodara:
30th May, 2017

*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 31st, 2017, 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.

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.

*Shah Mehta & Bakshi
Chartered Accountants*

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 31st March, 2017, 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 sub-section (11) of section 143 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 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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*

-
- 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.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 31 to the financial statements.

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

(Kalpit Bhagat)
Partner
Membership No. 142116
Place: Vadodara
Date: 30th May 2017

*Shah Mehta & Bakshi
Chartered Accountants*

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 2017, 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 not granted any loan to companies covered in the register maintained under section 189 of the Act.
- 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 31st March 2017 for the period of more than six months from the date they become payable.
 - (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 31st March, 2017 on account of dispute.

*Shah Mehta & Bakshi
Chartered Accountants*

- 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. According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which the loans were obtained.
- x. During the course of our examination of the books of account and records of the company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions 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: 30th May 2017

*Shah Mehta & Bakshi
Chartered Accountants*

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 31st of March, 2017 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.

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

*Shah Mehta & Bakshi
Chartered Accountants*

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 31st March 2017, 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: 30th May 2017

Balance Sheet as at 31st March 2017

Particulars	Note	As at 31-03-17 ₹	As at 31-03-16 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,07,34,000	1,07,34,000
(b) Reserves and Surplus	3	13,60,47,383	9,02,28,904
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	2,96,48,827	4,46,77,224
(b) Deferred tax liabilities (Net)	5	2,36,64,121	2,09,51,543
(3) Current Liabilities			
(a) Short-term borrowings	6	3,74,15,007	3,99,54,931
(b) Trade payables	7	9,24,13,097	6,57,51,770
(c) Other current liabilities	8	1,92,98,744	2,28,18,867
(d) Short-term provisions	9	26,91,825	26,27,704
TOTAL		35,19,13,004	29,77,44,943
II. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment			
(i) Tangible assets	10	18,56,71,029	18,03,22,652
(ii) Capital Work-in-Progress		9,77,907	-
(b) Non-current investments	11	36,30,000	1,30,000
(c) Long Term Loans and advances		31,30,940	26,09,874
(2) Current assets			
(a) Inventories	13	6,79,53,535	4,69,22,863
(b) Trade receivables	14	7,04,47,639	5,31,64,043
(c) Cash and cash equivalents	15	16,21,456	24,00,385
(d) Short-term loans and advances	16	1,47,88,050	61,08,319
(e) Other current assets	17	36,92,448	60,86,807
TOTAL		35,19,13,004	29,77,44,943
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 - 30th May 2017

Anil Patel

(Chairman & Managing Director)

DIN : 00006904

Vanseti, Dated - 30th May 2017

Kunal Patel

(Director)

DIN: 00106545

Statement of Profit and Loss for the year ended 31st March 2017

	Note	Year ended on 31-03-17 ₹	Year ended on 31-03-16 ₹
I Revenue from operations	18	61,63,48,014	56,01,29,534
Less: Excise Duty		5,62,02,838	4,78,24,403
		56,01,45,176	51,23,05,131
II Other Income	19	12,97,244	2,20,101
III. Total Revenue (I +II)		56,14,42,420	51,25,25,232
IV Expenses:			
Cost of materials consumed	20	39,57,90,427	36,08,01,677
Manufacturing Expenses	21	2,91,59,790	3,11,51,284
Changes in inventories of FG,WIP, Stock-in-Trade	22	(1,37,96,001)	1,44,67,191
Employee benefit expense	23	3,36,67,614	3,08,11,518
Financial costs	24	99,59,619	1,04,32,985
Depreciation and amortization expense	10	1,54,97,157	1,35,73,627
Other expenses	25	2,21,36,352	2,27,21,074
Total Expenses		49,24,14,958	48,39,59,356
V Profit before tax '(III-IV)		6,90,27,462	2,85,65,876
VI Tax expense:			
(1) Current tax		1,53,67,669	68,61,353
(2) MAT Credit		50,47,768	-
(3) Prior Period Taxes		80,968	13,883
(4) Deferred tax		27,12,578	26,84,244
VII Profit for the period after Tax (V - VI)		4,58,18,479	1,90,06,396
VIII Earning per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)		42.69	17.71
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**Kalpiti Bhagat**

(Partner)

M No 142116

Vadodara, Dated - 30th May 2017

Anil Patel

(Chairman & Managing Director)

DIN : 00006904

Vanseti, Dated - 30th May 2017

Kunal Patel

(Director)

DIN: 00106545

1 Significant Accounting Policies

A Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). "The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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

a) Tangible Assets-Property Plant and Equipment

Property, plant and equipment are stated at cost, net of CENVAT credit, after reducing accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the Property, plant and equipment are ready for use, as intended by management and include financing costs relating to any borrowing attributable to acquisition. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Long Term Loans and advances" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

b) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use.

c) Capital Work-in-Progress

Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses.

E Method of Depreciation

a) Depreciation on fixed assets has been provided on Straight Line method over the useful life of the Asset.

b) Intangible assets are amortized over their respective individual estimated useful lives not exceeding 10 years on a straight-line basis.

c) Depreciation on additions to assets or on sale/discardment of assets, is calculated pro rata from the date of such addition / put to use or upto the date of such sale/discardment, as the case may be.

d) Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

F Investments

- a) 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.
- b) Current investments are carried individually, at the lower of cost and fair value.

G Foreign Exchange Transaction

- a) Initial Recognition
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- b) Measurement of foreign currency monetary items at the Balance Sheet date
Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates. Exchange differences arising out of these are charged to the Statement of Profit and Loss.
- c) Treatment of exchange differences
Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense 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.

H 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 |

I 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.

J 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 .

K Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in Notes to the Financial Statements.

L 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 recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of other items based on future sales projection of the company. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

M Prior Period Adjustments

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

N 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.

O 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.

P Cash and cash equivalent

Cash and cash equivalents for the purposes of the financial statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Q Government Grants and Subsidies

- a) Government grants and subsidies are recognized 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 recognized 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 31-03-17 ₹	As at 31-03-16 ₹
6,00,00,000	6,00,00,000
1,07,34,000	1,07,34,000
1,07,34,000	1,07,34,000
10,73,400	10,73,400
-	-
10,73,400	10,73,400

- 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 31-03-17		As at 31-03-16	
	No	% holding	No	% holding
Anil Patel	1,61,748	15.07	1,59,978	14.90
Kokila Patel	1,74,307	16.24	1,74,307	16.24
Vaishali Amin	1,11,116	10.35	1,11,116	10.35
Kunal Patel	57,748	5.38	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

Total

As at 31-03-17 ₹	As at 31-03-16 ₹
27,00,000	27,00,000
21,45,067	21,45,067
48,45,067	48,45,067
26,167	26,167
-	-
26,167	26,167
8,53,57,670	6,63,51,274
4,58,18,479	1,90,06,396
13,11,76,149	8,53,57,670
13,60,47,383	9,02,28,904

4 Term Loans

	Non-Current Portion		Current Maturities	
	As at 31-03-17 ₹	As at 31-03-16 ₹	As at 31-03-17 ₹	As at 31-03-16 ₹
Indian rupee loan from banks (Secured)				
HDFC Bank				
Term Loan I	0	0	0	1,03,787
Term Loan II	0	0	0	5,25,481
Term Loan III	0	32,110	32,110	3,64,759
Term Loan IV	0	62,339	62,339	1,74,490
Term Loan V	4,14,526	0	1,67,737	0
Axis Bank				
Term Loan I	11,20,368	20,10,186	8,89,816	8,89,816
Term Loan II	25,95,814	44,15,496	18,00,000	18,00,000
Term Loan III	30,80,541	50,94,366	19,92,000	19,92,000
Term Loan IV	0	0	0	31,29,169
Term Loan V	2,24,37,578	3,27,50,733	1,02,00,000	1,02,00,000
From Financial Institutions (Unsecured)				
Magma Fincap - Business Loan	0	3,11,994	3,11,994	11,24,263
	2,96,48,827	4,46,77,224	1,54,55,996	2,03,03,765

	Non-Current Portion		Current Maturities	
	As at 31-03-17 ₹	As at 31-03-16 ₹	As at 31-03-17 ₹	As at 31-03-16 ₹
Secured borrowings	2,96,48,827	4,43,65,230	1,51,44,002	1,91,79,502
Unsecured borrowings	0	3,11,994	3,11,994	11,24,263
Amount disclosed under the head "other current liabilities" (note 9)			(1,54,55,996)	(2,03,03,765)
Net Amount	2,96,48,827	4,46,77,224	0	0

- a) Term Loan - HDFC Term Loan I Nil (PY ₹ 1.04 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 Nil (PY ₹ 5.25 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 ₹ 0.32 lacs (PY ₹ 3.97 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 ₹ 0.62 lacs (PY ₹ 2.37 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 - HDFC Term Loan V ₹ 5.82 lacs (PY Nil) secured by way of Hypothecation of Car. The Loan is repayable in equal monthly instalments each of ₹ 0.24 lacs along with Interest @ 9.65% P.a.
- f) Term Loan - Axis Bank Term Loan I ₹ 20.10 Lacs (PY ₹ 29.00 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.
- g) Term Loan - Axis Bank Term Loan II ₹ 43.96 lacs (PY ₹ 62.15 lacs) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipment 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 III ₹ 50.73 lacs (PY ₹ 70.86 Lacs) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipment 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 IV Nil (PY ₹ 31.29 lacs) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipment 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 V ₹ 326.38 lacs (PY ` 429.50 lacs) secured by way of Hyp. Of Machinery, Electric Installation, Furniture, office equipment etc of the Company. The Loan is repayable in equal monthly instalments each of ₹ 8.50 lacs after the monetarium period of 6 months, Interest @ 2.75% above Base Rate (i.e. 12.25%) p.a.
- k) Term Loan -Magma Fincap ₹ 3.12 lacs (PY ₹ 14.36 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 Deferred Tax Liability

As at 31-03-17 ₹	As at 31-03-16 ₹
2,36,97,881	2,21,01,374
33,760	11,49,831
2,36,64,121	2,09,51,543
6 Short Term Liabilities	
1) Secured Loans from Axis Bank Cash Credit	3,23,21,630
2) Secured Loans from Citi Bank Cash Credit	(63,363)
	3,22,58,267
3) Unsecured Loans From Directors A B Patel	44,46,140
H S Bhatt	7,10,600
	51,56,740
Total	3,74,15,007
	3,99,54,931

Cash Credit Axis Bank

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 @ 1.75% above Base Rate (i.e. 10.5%)

Cash Credit Citi Bank

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%)

7 Trade Payables

- 1) For Raw Materials
- 2) For Expenses

Total

7,93,33,502	4,63,64,525
1,30,79,595	1,93,87,245
9,24,13,097	6,57,51,770

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 Long Term Debt (Note 4)
- 2) Sales Tax Payable
- 3) Employees Contribution to PF
- 4) TDS payable
- 5) Payable for Capital Goods

Total

1,54,55,996	2,03,03,765
18,334	15,814
1,26,800	1,05,419
6,34,739	5,52,773
30,62,875	18,41,096
1,92,98,744	2,28,18,867

10 Property, Plant and Equipment :

Sr. No	Name of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01-Apr-16 ₹	Addition ₹	Deduction ₹	Total as on 31-Mar-17 ₹	Up to 01-Apr-16 ₹	For the Year ₹	Deduction ₹	Total as on 31-Mar-17 ₹	As on 31-Mar-17 ₹	As on 31-Mar-16 ₹
1	Land (Freehold)	4,31,964	-	-	4,31,964	-	-	-	-	4,31,964	4,31,964
2	Factory Building	3,14,20,140	2,28,945	-	3,16,49,085	1,07,68,638	9,85,702	-	1,17,54,340	1,98,94,745	2,06,51,502
3	Road	24,87,246	-	-	24,87,246	25,942	7,89,069	-	8,15,011	16,72,235	24,61,304
4	Administrative Bldg.	1,64,64,081	-	-	1,64,64,081	10,04,257	3,53,828	-	13,58,085	1,51,05,996	1,54,59,824
5	Plant & Machinery	17,94,10,486	1,96,84,015	-	19,90,94,501	6,55,23,344	99,32,045	-	7,54,55,389	12,36,39,112	11,38,87,142
6	Solar Plant	1,46,86,087	-	-	1,46,86,087	20,30,237	9,36,127	-	29,66,364	1,17,19,723	1,26,55,850
7	Electrical Installation	44,66,017	-	-	44,66,017	29,55,122	2,48,429	-	32,03,551	12,62,466	15,10,895
8	Office Equipments	26,01,308	1,24,000	5,72,276	21,53,032	8,36,952	3,83,807	5,63,201	6,57,558	14,95,474	17,64,356
9	Fire Fighting Equip.	21,858	-	-	21,858	21,858	-	-	21,858	-	-
10	Furniture & Fixtures	43,84,513	2,22,740	-	46,07,253	17,47,372	2,94,483	-	20,41,855	25,65,398	26,37,141
11	Vehicles	1,14,27,981	8,40,110	6,41,911	1,16,26,180	27,64,122	14,69,635	3,60,860	38,72,897	77,53,283	86,63,859
12	Laboratory Equipment	1,71,852	-	-	1,71,852	1,11,674	24,391	-	1,36,065	35,787	60,178
13	Computer	9,58,256	35,850	-	9,94,106	8,19,619	79,641	-	8,99,260	94,846	1,38,637
	Total	26,89,31,789	2,11,35,660	12,14,187	28,88,53,262	8,86,09,137	1,54,97,157	9,24,061	10,31,82,233	18,56,71,029	18,03,22,652
	<i>Previous Year</i>	<i>23,64,92,071</i>	<i>3,50,83,131</i>	<i>26,43,413</i>	<i>26,89,31,789</i>	<i>7,59,76,182</i>	<i>1,35,73,627</i>	<i>9,40,672</i>	<i>8,86,09,137</i>	<i>18,03,22,652</i>	<i>16,05,15,889</i>

	As at 31-03-17	As at 31-03-16
	₹	₹
9 Short Term Provisions		
1) Directors Remuneration Payable	10,11,360	6,38,844
2) Other Provisions	16,91,056	13,69,325
3) Provision for Income Tax	(10,591)	6,19,535
Total	26,91,825	26,27,704
9.1 Other Provisions		
At the beginning of the year	13,69,325	14,08,911
Add: Created during the year	16,91,056	13,69,325
Less: Utilised during the year / Unused amount reversed	13,69,325	14,08,911
	16,91,056	13,69,325
11 Non Current Investments		
Non-trade investment (unquoted at cost)		
Investment in Equity Instruments (Fully Paid)		
1300 (PY 1300) shares of Stag Print P LTd ` 100/- each	1,30,000	1,30,000
Investment in Mutual Funds		
772.630 units (PY. NIL) Birla Sun Life Balanced '95 Fund (Growth)	5,00,000	-
9966.602 units (PY. NIL) Franklin India Balanced Fund (Growth Plan)	10,00,000	-
8182.168 units (PY. NIL) HDFC Balanced Fund (Growth Option)	10,00,000	-
31939.698 units (PY. NIL) HDFC Equity Savings Fund (Growth)	10,00,000	-
Total	36,30,000	1,30,000
11.1 Aggregate cost of Investment in Mutual Funds	35,00,000	-
11.2 Aggregate market value of Investment in Mutual Funds	36,77,905	-
11.3 Aggregate cost of other unquoted Investments	1,30,000	1,30,000
12 Long-Term Loan and Advacnes		
(Unsecured, Considered good unless stated otherwise)		
Balances with Revenue Authorities	3,74,200	-
Security Deposit	27,56,740	26,09,874
	31,30,940	26,09,874
13 Inventories		
(Inventories are carried at the lower of cost and net realisable value)		
1) Raw materials	3,69,29,439	3,07,31,196
2) Work-in-progress	1,55,39,538	37,91,577
3) Finished goods	29,30,675	8,82,635
4) Stores & Spares , Cylinders & Others	1,15,92,638	1,07,85,039
5) Packing Materials	9,61,245	7,32,416
Total	6,79,53,535	4,69,22,863
14 Trade Receivables		
(Unsecured and Considered Good)		
Trade Receivables outstanding for a period exceeding six months from the due date of payment	81,01,270	60,02,855
Other Trade Receivable	6,23,46,369	4,71,61,188
Total	7,04,47,639	5,31,64,043
Outstanding Receivables from Related Parties:		
(Unsecured and Considered Good)		
Trade Receivables outstanding for a period exceeding six months from the due date of payment	15,88,773	-
Other Trade Receivable	2,50,523	25,16,640
Total	18,39,296	25,16,640

		As at 31-03-17	As at 31-03-16
		₹	₹
15	Cash and cash equivalents		
i	Balance with Schedule Banks	(37,41,168)	(39,13,717)
ii	Cash on hand	7,40,792	3,39,438
iii	Other Bank Balances		
	Fixed Deposit with Bank	46,21,832	59,74,664
	Total	16,21,456	24,00,385
16	Short Term Loans and Advances		
	<i>(Unsecured and Considered Good)</i>		
	Balances with Revenue Authorities (Receivable)	10,61,490	10,62,750
	MAT Credit	-	50,45,569
	Capital Advance	1,37,26,560	
	Total	1,47,88,050	61,08,319
17	Other Current Assets		
1)	Other Receivables		
	i) From Related Parties	-	36,58,175
	ii) From Others	36,92,448	24,28,632
	Total	36,92,448	60,86,807
18	Revenue from Operations		
a)	Sale of Products	60,80,95,605	55,59,63,460
b)	Other Operating Revenue	82,52,409	41,66,074
	Total	61,63,48,014	56,01,29,534
18.1	Sale of Products (Net)		
a)	Sales - Domestic	58,88,22,064	53,87,95,535
b)	Sales - Exports	1,92,73,541	1,71,67,925
	Total	60,80,95,605	55,59,63,460
18.2	Other Operating Revenue comprises of		
a)	Job Work	81,55,924	39,75,972
b)	Export benefit received	96,485	1,90,102
		82,52,409	41,66,074
19	Other Income		
	Bank Interest	4,96,697	8,03,368
	Interest Others	1,92,844	2,39,881
	Other Miscellaneous Income	6,07,703	(8,23,148)
	Total	12,97,244	2,20,101
20	Cost of Materials Consumed		
	Raw Materials Consumed		
	Imported	4,59,20,211	4,15,76,187
	Indigenous	34,18,45,165	30,79,71,121
		38,77,65,376	34,95,47,308
	Packing Material Consumed	80,25,051	1,12,54,369
	Total	39,57,90,427	36,08,01,677
20.1	Consumption (in %)		
	Imported	11.84%	11.89%
	Indigenous	88.16%	88.11%
	Total	100.00%	100.00%

		Current Year	Previous Year
		₹	₹
20.2	Particulars of materials consumed		
	Granuals	9,78,42,278	9,44,43,196
	Paper	13,01,40,322	8,88,52,027
	Ink	4,87,53,601	4,29,62,181
	Others	11,10,29,175	12,32,89,904
	Total	38,77,65,376	34,95,47,308
21	<u>Manufacturing Expenses</u>		
	Freight & Carriage	66,15,300	61,06,367
	Power, Fuel & Water Charges	1,32,63,118	1,40,88,896
	Consumable Stores & Dies Consumed	52,43,401	62,73,587
	Excise duty (Net)	6,88,755	3,95,367
	Repairs & Maintenance	20,81,250	29,21,637
	Factory Expenses	5,48,566	6,86,648
	Security Expenses	7,19,400	6,78,782
	Total	2,91,59,790	3,11,51,284
22	<u>Changes in Inventories of FG, WIP</u>		
	Closing Stock		
	Finished Goods	29,30,675	8,82,635
	Semi - Finished Goods	1,55,39,538	37,91,577
	Less : Opening Stock		
	Finished Goods	8,82,635	40,37,582
	Semi - Finished Goods	37,91,577	1,51,03,821
	Total	1,37,96,001	(1,44,67,191)
23	<u>Employee Benefit Expenses</u>		
	Salaries & Wages	2,06,93,003	1,83,24,206
	Directors' Remuneration	96,00,000	90,00,000
	Contribution to Provident & Other Funds		
	Provident Fund	20,67,246	15,79,237
	Gratuity	8,10,114	17,33,006
	Staff Welfare Expenses	4,97,251	1,75,069
	Total	3,36,67,614	3,08,11,518
24	<u>Financial Costs</u>		
	Interest		
	On Bank Loan	99,87,655	1,02,75,858
	On Other Loans	6,07,821	9,50,221
	Less Interest Capitalised	(6,35,857)	(7,93,094)
	Total	99,59,619	1,04,32,985

25 Other Expenses

Administrative & Other Selling Expenses

	Current Year ₹	Previous Year ₹
Rent, Rates & Taxes	2,80,636	3,02,436
Postage & Telephone	4,48,171	5,46,765
Printing & Stationery	1,62,239	86,458
Office Expenses	1,36,172	1,68,291
Insurance	9,12,889	7,40,741
Repairs and Maint. (Other)	14,78,832	8,39,189
Travelling Expenses	23,62,379	5,02,970
Conveyance Exps.	9,73,907	7,15,289
Auditors' Remuneration	1,03,050	1,03,050
Legal Exps. & Professional Fees	20,64,673	11,93,756
Carriage Outward & Export exps	49,68,887	46,23,861
Advertisements	2,66,460	-
Commission on Sales	62,11,009	94,00,474
Computer Expenses	79,560	2,02,294
Entertainment Exps.	3,29,015	3,63,149
Professional Tax	2,500	2,500
Licence Fees / ECGC / Filing Fees	1,25,812	74,349
General Miscellaneous Expenses	5,09,441	3,23,940
Donations	-	89,000
Loss on Sale of Assets	2,08,120	22,557
Bank Commission & Charges	5,12,600	24,20,005
Total	2,21,36,352	2,27,21,074

(₹ In Lacs)

26 Value of Imports on CIF Basis

Raw Material	459.20	415.76
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27 Remuneration to Auditors - (Incl Ser Tax)

Audit Fees	0.65	0.65
Tax Audit Fees	0.38	0.38

28 Expenditure in Foreign Currency on Account of

Foreign Travel Expenses	8.72	4.17
Import of Raw Material	368.32	333.03
Purchase of Capital Goods	35.96	105.40

29 Earning in Foreign Exchange

Export of goods on FOB basis	62.69	65.86
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30 Earnings per Share (EPS)

1) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹)	4,58,18,479	1,90,06,396
2) Weighted Average number of shares	10,73,400	10,73,400
3) Basic and Diluted Earnings per share (₹)	42.69	17.71
4) Face Value per equity share (₹)	10.00	10.00

31 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 Vaishali Amin 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
(A) Transactions			
Sales	-	40.65	40.65
		(29.98)	(29.98)
Interest Income	-	-	-
		(4.32)	(4.32)
Purchases	-	385.86	385.86
		(315.95)	(315.95)
Purchase of Machinery	-	29.68	29.68
		-	-
Rent	-	1.50	1.50
		(1.50)	(1.50)
Remuneration & Perquisites	96.00	-	96.00
	(90.00)	-	(90.00)
Repair & Maintenance	-	1.75	1.75
		(10.91)	(10.91)
Interest Expenses	2.19	-	2.19
	(2.19)	-	(2.19)
Sales Commission	-	0.20	0.20
		(0.60)	(0.60)
Professional Fees	-	6.00	6.00
		-	-
Unsecured Loan (Net)	-	-	-
	(101.79)	-	(101.79)
Realisation of Loans & Advances	-	36.58	36.58
		(4.00)	(4.00)
(B) Balances at the year end			
Unsecured Loans	44.46	7.11	51.57
	(42.49)	(7.11)	(49.60)
Sundry Creditors	-	180.65	180.65
		(119.26)	(119.26)
Remuneration Payable	10.11	-	10.11
	(6.39)	-	(6.39)
Investment in Equity Shares	-	1.30	1.30
		(1.30)	(1.30)
Sundry Debtors	-	18.39	18.39
		(25.16)	(25.16)
Loans & Advances	-	-	-
		(36.58)	(36.58)

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

32 Disclosures under Accounting Standard-19 (Leases)

The company has taken office on lease.

Particulars	2016-17 ₹	2015-16 ₹
(A) The annual lease rent payable	1,50,000	1,50,000

33 Foreign Exchange exposure as on year end are as under

Particulars	For the year ended 2016-17	For the year ended 2015-16
a) Amount Receivable	-	\$ 4,429
	-	₹ 2,93,328
b) Amount Payable	-	\$ 56,374
	-	₹ 37,33,633

34 Disclosures under Accounting Standard - 15 (Employee Benefits)

Defined Benefit Plans

The Company has policy of giving gratuity to its employees who complete period of qualifying service which is 5 years.

This amount is payable at time of death / retirement or at the time of employee leaving the job after completion of qualifying period of service. The company has formed a Gratuity Trust and taken policy from Life Insurance Corporation of India (LIC) for managing their group gratuity scheme. The company makes contribution to Life Insurance Corporation of India at end of every year based on actuarial valuation. Major Assumptions made for determination of Defined Benefit Liability are as under:

Valuation Method	Projected Unit Credit Method
Discount Rate	8 % (Previous Year 8%)
Salary Escalation	10% (Previous Year 10%)
Mortality Rate	Indian Assured Lives Mortality (2006-2008) Ultimate (Previous Year LICMortality (2006-2008) Ultimate)
Withdrawal Rate	Previous Year 1 % to 3 % depending on age

Particulars	2016-17 ₹
As per information available with the company as on 31st March, 2017	
Present Value of Past Service Benefit	61,71,963
Current Service Cost	5,20,264
Actuarial (Gain)/Losses	1,48,617
Present Value of Obligation as on 31st March, 2017	68,40,844
Fair Value of Plan Assets (as informed by LIC)	67,36,790
Assets/(Liabilities) recorded in Balance sheet	(1,04,054)
Expenses recorded in statement of Profit and loss	8,10,114

The company does not have any further information about fair value of plan assets under the plan, accordingly disclosures related to Planned assets and underlying assumptions has not been disclosed.

35 Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	7,00,000	8,501	7,08,501
Add: Permitted receipts	-	7,92,325	7,92,325
Less: Permitted Payments	-	3,08,165	3,08,165
Less: Amount deposited in Banks	7,00,000	-	7,00,000
Closing Cash in hand as on 30th December, 2016	-	4,92,661	4,92,661

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

As per Annexed Report of even date

For Shah Mehta & Bakshi

Chartered Accountants

Registration No : 103824W

For & on behalf of the Board

Kalpiti Bhagat

(Partner)

M No 142116

Vadodara, Dated - 30th May 2017

Anil Patel

(Chairman & Managing Director)

DIN : 00006904

Vanseti, Dated - 30th May 2017

Kunal Patel

(Director)

DIN: 00106545

Particulars	As at 31-03-17 ₹	As at 31-03-16 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax & extraordinary items	6,90,27,462	2,85,65,876
<u>Adjustments For :</u>		
Add Depreciation	1,54,97,157	1,35,73,627
Loss / (Profit) on sales of Discarded Assets	2,08,120	22,557
Finance Charges	1,05,95,476	1,12,26,079
Less Interest Income	(6,89,541)	(10,43,249)
Operating Profit Before Working Capital Changes	9,46,38,674	5,23,44,890
<u>Adjustments For :</u>		
(Increase) / Decrease In Inventories	(2,10,30,672)	2,38,53,828
(Increase) / Decrease Receivables & Other assets	(2,35,68,968)	29,43,643
(Increase) / Decrease Long Term Loans & Advances	(5,21,066)	-
Increase (Decrease) in Trade And Other Payables	2,80,53,094	(89,63,201)
Cash Generated from Operations	7,75,71,062	7,01,79,160
Tax Paid	(2,04,96,405)	(68,75,236)
Net Cash From Operating Activities	5,70,74,657	6,33,03,924
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale (Purchase) of Fixed Assets	(2,21,13,567)	(2,94,25,323)
Proceeds from Sale of Fixed Assets	82,006	16,80,184
Purchase of Non Current Investment	(35,00,000)	-
Interest Income	6,89,541	10,43,249
Net Cash flow / use In Investing Activities	(2,48,42,020)	(2,67,01,890)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(1,03,98,604)	(1,10,29,204)
Secured Loan Raised	7,50,000	3,00,12,870
Repayment of Secured Loan	(2,22,38,699)	(4,48,21,536)
Unsecured Loan Raised	-	-
Repayment of Unsecured Loan	(11,24,263)	(1,11,28,171)
Net Cash From / (In) Financing Activities	(3,30,11,566)	(3,69,66,041)
D Net Increase In Cash And Cash Equivalents (A + B + C)	(7,78,929)	(3,64,007)
E Opening Cash And Cash Equivalents	24,00,385	27,64,392
F Closing Cash And Cash Equivalents (D+E)	16,21,456	24,00,385

Notes:

- Cash flows are reported using the Indirect Method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.
- Cash and cash equivalents for the purposes of financial statement comprise cash in hand, balances with bank and Fixed deposits with bank as per Note No - 14.
- Purchase of fixed assets includes movements of capital work-in-progress (including Capital Advances) during the year.
- Previous Year figures have been regrouped when necessary to conform to the year's classification.

As per Annexed Report of even date

For Shah Mehta & Bakshi
Chartered Accountants

For & on behalf of the Board

Registration No : 103824W

Kalpiti Bhagat
(Partner)

M No 142116

Vadodara, Dated - 30th May 2017

Anil Patel
(Chairman & Managing Director)

DIN : 00006904

Vanseti, Dated - 30th May 2017

Kunal Patel
(Director)

DIN: 00106545

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L25200GJ1988PLC010514

Name of the company: PURITY FLEXPACK LIMITED

Registered office: At & Post Vanseti, Near Baska, Halol, Panchmahal-389350, Gujarat

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature :, or failing him

2. Name :

Address :

E-mail Id :

Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Ninth Annual general meeting of the company, to be held on Saturday, the 2nd, September- 2017 At 11:00 A.M. the Registered Office of the Company At & Post Vanseti, Near Baska, Halol, Panchmahal-389350, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1

2

3

4



Signed this..... day of..... 20.....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Form No. MGT-12
Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: PURITY FLEXPACK LIMITED

Registered office: At & Post Vanseti, Near Baska, Halol, Panchmahal-389350, Gujarat

BALLOT PAPER

Sr. No	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote at 29th AGM held on Saturday, the 2nd, September- 2017 at 11.00 A.M. in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Reso. No.	Item	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt the audited Balance Sheet, Statement of Profit and Loss, Boards' Report and Auditors Report thereon as at March 31, 2017.			
2.	To appoint a Director in place of Mrs. Kokila A. Patel (DIN- 00106487) who retires by rotation and offers herself for reappointment			
3.	To appoint a director in place of Mr. Harshad A Bhatt (DIN- 00194195) who retires by rotation and offers himself for reappointment.			
4.	To ratify the appointment of Statutory Auditors			
5.	To Re-appoint Mr. Anil B. Patel as Managing Director of the Company.			
6.	To Re-appoint Mr. Kunal A. Patel as a Whole-time Director of the Company			
7.	To Re-appoint Mr. Daxesh B. Patel as a Independent Directors of the Company			
8.	To Re-appoint Mr. Darshkkumar S. Sheth as a Independent Directors of the Company			
9.	To Re-appoint Mr. Manish A. Baxi as a Independent Directors of the Company			
10.	To Re-appoint Mr. Nilesh N. Patel as a Independent Directors of the Company			

Book Post

To,

If undelivered, Please return to:

Purity Flexpack Ltd.

Reg. Office & Factory: At Vanseti | Post Tajpura | Near Halol | Dist. Panchmahals 389 350

Tel.: +919904269108 | CIN. No. L25200GJ1988PLC010514) | Email: sales@purityflexpack.com

Web: www.purityflexpack.com