



# **PURITY FLEXPACK LTD.**

31st ANNUAL REPORT 2018-2019

**BOARD OF DIRECTORS**

Mr. ANIL PATEL - Chairman & Managing Director  
 Mr. KUNAL PATEL - Whole-Time Director

**NON EXECUTIVE INDEPENDENT DIRECTOR**

Mr. HARSHAD BHATT  
 Mr. DAXESH PATEL  
 Mrs. KOKILA PATEL  
 Mr. MANISH BAXI  
 Mr. DARSHAK SHETH  
 Mr. NILESH PATEL

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**CHIEF FINANCIAL OFFICER**

Mr. Kunal A Patel (w.e.f 20th April, 2019)

**COMPANY SECRETARY**

Ms. Hemkunvarba Ranjitsinh Gohil (w.e.f 20th April, 2019)

**FACTORY & REGISTERED OFFICE**

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

**BANKERS**

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

**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

**AUDITORS**

M/s. MODI & JOSHI  
 CHARTERED ACCOUNTANTS  
 VADODARA.

**31<sup>ST</sup> Annual General Meeting**

DAY : Thursday  
 : 29th August 2019  
 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 31<sup>st</sup> ANNUAL GENERAL MEETING of the Shareholders of PURITY FLEXPACK LIMITED to be held on Thursday, the 29<sup>th</sup> August, 2019 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 31<sup>st</sup> March, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nilesh N Patel, (holding DIN No. 01740293) who retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Manish Baxi, (holding DIN No. 02011827) who retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment.
4. To ratify the reappointment 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 there under, as amended from time to time and pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed on 19<sup>th</sup> July, 2019, the reappointment of M/s. Modi & Joshi., Chartered Accountants (Firm Registration No. 135442W), as the Auditors of the Company be and is hereby ratified for the year 2019-20 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on 31<sup>st</sup> March, 2020 as may be determined by the Board in consultation with the Auditors.”

**SPECIAL BUSINESS:****5. To approve appointment of Mr. Kunal A. Patel (DIN 00106545) Whole-time Director as a Chief Financial Officer (CFO) of the Company:**

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 provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, of Companies Act, 2013, as amended or re-enacted from time to time, Mr. Kunal A. Patel (DIN 00106545 & PAN: AMMP1152A), Whole Time Director of the Company be and hereby appointed as “Chief Financial Officer” (CFO) of the Company w.e.f. 20<sup>th</sup> April, 2019 on the Terms and Conditions including the terms of remuneration as recommended by the Nomination and Remuneration Committee with the liberty to the Board of Directors to alter or vary the same as may be agreed to between the Board of Directors and Mr. Kunal A. Patel.”

“**RESOLVED FURTHER THAT** the Mr. Anil B Patel, Managing Director of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings as may be required in relation to the aforesaid appointment and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

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

Place: Vanseti  
Date: 19<sup>th</sup> July, 2019

Anil Patel  
Chairman & Managing Director  
(DIN No. 00006904)

**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 22/08/2019 to 28/08/2019 both days inclusive.
- d. Members desirous of obtaining any information concerning the accounts from the company are requested to send their queries to the company at least seven days before the meeting so that the information required by the members may be made available at the meeting.
- e. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days up to and including the date of the annual general meeting of the Company.
- f. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the Company's registrar and share transfer agent in this regard.
- g. Corporate members are requested to send, a duly certified copy of the board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
- h. Members holding shares in physical form should inform the Company's Registrar and Transfer Agents, M/s. Universal Capital Securities Private Limited of any change in their registered address, mandate/bank details/e- mail address. Similarly, Members holding shares in electronic form should inform their Depository Participants (DP) of any change in their registered address, mandate/bank details/e-mail address.
- i. For the convenience of Members and for proper conduct of the Meeting, entry to the venue of the Meeting will be regulated by Attendance Slip, which is enclosed with this notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance to the venue.
- j. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, it is mandatory to extend to the Members of the Company, the facility to vote by electronic means and at the AGM. The Company is providing facility for voting by electronic means and the Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.
- k. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e- voting shall be able to exercise their right at the meeting.
- l. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Devesh R. Desai, Company Secretary in practice, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will scrutinize 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.

- m. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs. Members holding shares in physical form are requested to submit their PAN to the Company.

**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 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

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

1. The voting period begins on 26<sup>th</sup> August, 2019 (9 a.m.) and ends on 28<sup>th</sup> August, 2019 (5 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut of date 21<sup>st</sup> August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 28<sup>st</sup> August, 2019 (05:00 p.m.).
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
3. Click on "Shareholders" tab.
4. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. 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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
DOB	* 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.  Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format

8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant **COMPANY'S NAME- PURITY FLEXPACK LIMITED** on which you choose to vote.
12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Shareholders s can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
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 21<sup>st</sup> August, 2019 Mr. Devesh R Desai, Practicing Company Secretary (M No. 11332) has been appointed as the Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner.
20. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
21. Note for Non-Individual Shareholders & Custodians:
  - Corporate/ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
22. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
23. **Re-Appointment of Directors:**  
At the forthcoming Annual General Meeting, Mr. Nilesh N Patel and Mr. Manish Baxi, Directors, retires by rotation and being eligible offers himself for re-appointment, information or details pertaining to his appointment are furnished.

**Details of Director seeking Re-Appointment at the Annual General Meeting  
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015):**

Name of the Director	Nilesh N Patel	Manish Baxi
Date of Birth	26/08/1974	05/12/1966
Qualification	BE	B.com, LLB, FCA
Date of Appointment	12/05/2008	22/03/2007
Expertise	Veteran Business	He is a Chartered Accountant and proficiency in accountancy matters.
List of public companies in which outside directorship held as on 31 <sup>st</sup> March, 2019	None	None
List of other Chairmanship / Membership of the Committee as on 31 <sup>st</sup> March, 2019	None	None
No. of Shares Holds in the Company	NIL	NIL

\* Directorship in private companies, foreign companies and associates are excluded.

**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 of the accompanying Notice dated 29<sup>th</sup> August 2019.

**ITEM No. 5**

In view of the recent notification of Companies Act, 2013 and rules there under in place of Companies Act, 1956, it has become necessary for the Company to appoint a CFO in order to comply with the provisions of Companies Act, 2013.

**As per the provisions of the Companies Act, 2013, their shall be at least one CFO in the Company.**

Mr. Kunal A. Patel, aged 35 years, is an MBA from Cardiff University, U.K. 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.

He is an Executive Director of the company and designated as Whole Time Director and Chief Financial Officer (CFO) of the Company with effect of 20<sup>th</sup> April, 2019.

Mr. Kunal A. Patel, Mr. Anil Patel and Ms. Kokila A. Patel, the Directors and their relatives, are interested in the resolution set out at Item No. 5 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

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

**Place: Vanseti  
Date: 19<sup>th</sup> July, 2019**

**Anil Patel  
Chairman & Managing Director  
(DIN No. 00006904)**

STATEMENT OF PARTICULARS (ITEM No. 5)  
(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<sup>th</sup> 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 : N.A. Collaborations
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 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 to
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****Details of Appointee:****1. Background details:**

Mr. Kunal Patel is M.B.A. from Cardiff University, U.K. and at a very young age of 35 years, he joined the Board of Directors of this Company on 31<sup>st</sup> 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 Nomination and Remuneration Committee of Directors in their meeting held on **20<sup>th</sup> March, 2017**, deliberated upon the issue of remuneration payable to Mr. Kunal Patel effective from **1<sup>st</sup> April, 2017** for a period of three years subject to the condition of fulfillment of all the provisions of the Companies Act, 2013 read with Schedule V.

- The Details of Past remuneration drawn by Mr. Kunal A. Patel during the last three years are as under:

<b>(Rs. In Lakhs)</b>	
<b>Year</b>	<b>Salary</b>
2017	Rs. 48.00
2018	Rs. 54.00
2019	Rs. 54.00

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Kunal A. Patel, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on 20<sup>th</sup> April, 2019, has approved the appointment of Mr. Kunal A. Patel, Whole Time Director as Chief Financial Officer (CFO) w.e.f 20<sup>th</sup> April, 2019, subject to the approval of shareholders, as set out in the resolution being item no 5 of the accompanying notice w.e.f. 20<sup>th</sup> April, 2019 for the remaining period of his tenure i.e. up to 31<sup>st</sup> March, 2020.

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. Kunal A. 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****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 2 Executive Directors and 6 Non-Executive Directors. The Composition of the Board of Directors is an under:

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

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

During the year ended 31<sup>st</sup> March 2019, the Board met 5 (Five) times i.e.30/05/2018, 10/08/2018, 02/11/2018, 23/11/2018, 14/02/2019.

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 Directorships in other companies	No. of Chairmanship / Membership in other companies
	Board Meeting Last AGM	AGM		
Mr. Anil B. Patel ( Chairman & Managing Director )	5	Yes	-	-
Smt. Kokila Patel	5	Yes	-	-
Mr. Kunal Patel	5	Yes	-	-
Mr. Harshad S. Bhatt	5	Yes	-	-
Mr. Daxesh Patel	5	Yes	-	-
Mr. Darshak Seth	5	No	-	-
Mr. Manish Baxi	5	No	-	-
Mr. Nilesh N. Patel	5	Yes	-	-

\* Directorship in private companies, foreign companies and associates are excluded.

**COMMITTEES TO THE BOARD:**

PARTICULARS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	STAKEHOLDERS RELATIONSHIP COMMITTEE
Constituted on	29 <sup>th</sup> June,2001	20 <sup>th</sup> June,2002	29 <sup>th</sup> June,2001
Composition	Mr. Nilesh Patel (Chairman) (From 12.05.2008) Mr. Anil Patel Mr. Daxesh Patel Mr.  The Committee is comprised of 3 Directors including 2 non-executive independent Directors, the Chairman being non-executive independent Director.	Mr. Harshad S Bhatt (Chairman) (From 14.02.2019) Mr. Daxesh Patel Mr. Nilesh Patel  The Committee is comprised of 3 Directors including 2 non-executive independent Directors.	Mr. Nilesh Patel ( Chairman) (From 14.02.2019) Mr. Harshad Bhatt Mr. Daxesh Patel  The Committee is comprised of 4 Directors including 3 non-executive independent Director.
Meeting and Attendance	Five Meetings were held on 30/05/2018,10/08/2018, 02/11/2018, 23/11/2018, 14/02/2019, and all the members of the committee were present at the meetings.	One meeting was held during the years on 14/02/2019.	Two meeting was held during the year on 30/05/2018 and 14/02/2019.  All the members of the Committee were present at the following meetings.
Terms of Reference	The terms of reference of this committee are in line with the norms specified under the Companies Act, 2013	The Committee has been constituted to recommend/ review the remuneration package for a Managing Director and the whole time Director based on performance and defined criteria. The remuneration policy of the Company is based on three tenets: pay for performance and potential and pay for growth.	The Committee has been constituted to approve transfer, transmission and transposition of shares, issue of duplicate share certificates and all other matters relating to shares. Mr. Jayesh Shah, Account Officer/ is duly authorized to make necessary endorsement in the names of the transferees on the reverse of the Share Certificate, once the transfers are approved by the Committee.

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

Financial Year	Date	Location of the Meeting	Time
2015-2016	04/08/2016	Reg. Office of the Company	11.00 a.m.
2016-2017	02/09/2017	Reg. Office of the Company	11.00 a.m.
2017-2018	24/09/2018	Reg. Office of the Company	11.00 a.m.

**DISCLOSURES:**

- 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.
- 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: 29/08/2019 Time : At 11.00 am Venue: At the Registered Office.
Book Closure Date	Thursday , the 22 <sup>nd</sup> August, 2019 to Wednesday the 28 <sup>th</sup> August, 2019 ( both days inclusive)
Listing on Stock Exchanges	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.: <b>022-28207203-05, 2825 7641, 2826 2920, 2836 6620</b>

**SHARE TRANSFER SYSTEM:**

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

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2019:**

Category	No. of Shares Held	% to paid-up Capital
Non-Resident Individuals	0.00	0.00
Bodies Corporate	4206	0.39
Nationalized Banks	540	0.05
Resident Individuals	531174	49.49
Directors and Relatives	535788	49.92
Trust, LLP, HUF	1692	0.15
<b>TOTAL</b>	<b>1073400</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2019:**

Share Distribution	Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Upto 500	19355	99.681	48921	45.576
501-1000	42	0.216	29272	2.727
1001-2000	7	0.036	9420	0.878
2001-3000	1	0.005	2550	0.238
3001-4000	3	0.015	10923	1.018
4001-5000	0	0.000	0	0.000
5001-10000	1	0.005	7366	0.666
10001 & above	8	0.041	524657	48.878
<b>TOTAL:</b>	19417	100.00%	1073400	100.00 %

**Dematerialization of Shares**

As at March 31, 2019, 2,51,223 equity shares of PURITY Flexpack Limited have been dematerialised by shareholders through Central Depository Services (India) Limited.

CDSL Issuer ID: **32109**

BSE ISIN: **INE 898001010**

The status of shares which have been dematerialised and shares which are held in physical form as at March 31, 2019 are as under:

Particulars	No. of Shares
Shares held in physical form	8,22,177
Shares held in electronic form	2,51,223
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:

Hemkunvarba Ranjitsinh Gohil, Compliance Officer, **PURITY FLEXPACK LTD.**, At: Vanseti, Po Tajpura, Baska Tajpura Rd, Baska Halol Dist Panchmahal 389350 Phone: 987950874, 9904269108 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 31<sup>st</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2019.

**FINANCIAL HIGHLIGHTS:**

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

Particulars	31-03-2019	31-03-2018
	(Rs. in Lacs)	(Rs. in Lacs)
Income from Business Operations	6370.17	6258.52
Other Income	9.97	10.56
Total Income	6380.14	6269.08
Less Interest	111.91	90.39
Profit before Depreciation	421.27	645.32
Less Depreciation	232.48	196.60
Profit after depreciation and Interest	188.79	448.72
Less Current Income Tax	6.32	85.73
Less Previous year adjustment of Income Tax	(2.37)	0.00
Less Deferred Tax	(19.58)	74.92
Net Profit after Tax	204.42	288.07
Dividend (including Interim if any and final )	0.00	0.00
Net Profit after dividend and Tax	204.42	288.07
Amount transferred to General Reserve	204.42	288.07
Balance carried to Balance Sheet	204.42	288.07
Earning per share (Basic)	19.04	26.84
Earning per Share(Diluted)	19.04	26.84

**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:**

You directors are happy to report the successful progression of booking 10<sup>th</sup> consecutive year under profits.

We regret for not making it as progressive upward for the final results as net profit decrease and thus earning per share reported under reduction. Mainly, business for the year was more affected by increase in input price between July 2018 to September 2018, shot up to 45 % from average price of previous year and again got settled at 10% higher of previous year. Thus, same before it is passed on, shown an increase in total consumption by merely 4%. Secondly, continue effect of increase in financial charges and depreciation shows effect of 3.5% has finally left its impact on net profit.

However, to overcome the situation and to achieve with good market exposure adequate measures will be taken and results of the same has started showing its effect on both sales as well as on end results. Finally, with increase in specialty market as well as ready to eat food market share will change scenario. The Company is in process of increasing its capacity cum diverse applicability for specialty product manufacturing.

**CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY**

There was no material change in the nature of business of the Company during the year.

**CHANGE IN SHARE CAPITAL**

There was no change in the capital structure of the Company during the financial year under review. The equity paid up capital as on 31<sup>st</sup> March, 2019 was Rs. 10,7,34,000.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN ENDS 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 ends of the financial year to which these 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 Mr. Nilesh Patel and Mr. Manish Baxi, retire by rotation and, being eligible, offer themselves for re appointment. The Directors recommend Mr. Nilesh Patel and Mr. Manish Baxi, for re-appointment.

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

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), 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 Five 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. Modi & Joshi, 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.

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 30<sup>th</sup> May, 2019 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.**

Place: Vanseti  
Date: 19<sup>th</sup> July, 2019

Anil Patel  
Chairman & Managing Director  
(DIN No. 00006904)

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

**CONSERVATION OF ENERGY:**

(A) Power and Fuel consumption in respect of Total Energy Consumption:

(a) Purchased:	<b>2018-19</b>	<b>2017-18</b>
Units (KWH)	<b>1843160</b>	1529214
Total Amount (Rs.)	<b>14150802</b>	11740929
Rate per Unit (Rs.)	<b>7.68</b>	7.68
(b) Own Generation:		
Units (KWH)	<b>111336</b>	141634
Total Amount (Rs.)	-	-
Rate per Unit (Rs.)	-	-
(c)Furnace Oil/LSHS/LDO/HSQ		
Qty. (K.Ltr)	<b>165534</b>	146857
Total Amount (Rs.)	<b>6813482</b>	4723124
Average Rate (Rs.)	<b>41.16</b>	32.16

(B) **TECHNOLOGY ABSORPTION:**

(C) **FOREIGN EXCHANGE EARNINGS & OUTGO:**

(i) Foreign Exchange Earning	<b>167.65</b>	<b>166.76</b>
(ii) Foreign Exchange Outgo Foreign Traveling and Purchase	<b>631.53</b>	<b>573.91</b>

**Annexure C to Boards Report****Form No. MGT-9 EXTRACT OF ANNUAL RETURN AS ON  
FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

[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  
DIST. 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,  
28257641, 28262920, 28366620  
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.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A. Category-wise Share Holding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	222110	309236	<b>531346</b>	49.50	242253.00	293535.00	<b>535788</b>	49.92	0.41
(b)	Central Govt(s)	0	0	<b>0</b>	0.00			<b>0</b>	0.00	0.00
(c)	State Govt(s)			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(d)	Bodies Corporate			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(e)	Banks / FI			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(f)	Any Others(Specify)									
(e-i)										
(e-ii)										
	<b>Sub Total(A)(1)</b>	<b>222110</b>	<b>309236</b>	<b>531346</b>	<b>49.50</b>	<b>242253</b>	<b>293535</b>	<b>535788</b>	<b>49.92</b>	<b>0.41</b>
<b>2</b>	<b>Foreign</b>									
a	NRIs - Individuals			<b>0</b>	0.00			<b>0</b>	0.00	0.00
b	Other Individuals			<b>0</b>	0.00			<b>0</b>	0.00	0.00
c	Bodies Corporate			<b>0</b>	0.00			<b>0</b>	0.00	0.00
d	Banks / FI			<b>0</b>	0.00			<b>0</b>	0.00	0.00
e	Any Others(Specify)									
e-i										
e-ii										
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>222110</b>	<b>309236</b>	<b>531346</b>	<b>49.50</b>	<b>242253</b>	<b>293535</b>	<b>535788</b>	<b>49.92</b>	<b>0.41</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(b)	Banks / FI		540	<b>540</b>	0.05	540.00	<b>540</b>	<b>540</b>	0.05	0.00
(c)	Central Govt(s)			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(d)	State Govt(s)			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(e)	Venture Capital Funds			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(f)	Insurance Companies			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(g)	FIs			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(h)	Foreign Venture Capital Funds			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(i)	Any Other (specify)									
(i-ii)										
(i-ii)										
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>540</b>	<b>540</b>	<b>0.05</b>	<b>0</b>	<b>540</b>	<b>540</b>	<b>0.05</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>									
<b>(a)</b>	<b>Bodies Corporate</b>									
(i)	Indian	397	3492	<b>3889</b>	0.36	777.00	3926.00	<b>4703</b>	0.44	0.08
(ii)	Overseas			<b>0</b>	0.00			<b>0</b>	0.00	0.00
<b>(b)</b>	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	5225	531205	<b>536430</b>	49.97	8193.00	522981.00	<b>531174</b>	49.49	-0.49
(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh.			<b>0</b>	0.00			<b>0</b>	0.00	0.00
<b>(c)</b>	<b>Others (specify)</b>									
(i)	Clearing Members			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(ii)	Trusts		1195	<b>1195</b>	0.11	1195.00	<b>1195</b>	<b>1195</b>	0.11	0.00
(iii)	NRI / OCBs			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(iv)	Foreign Nationals			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(v)	Foreign Corporate Body			<b>0</b>	0.00			<b>0</b>	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>5622</b>	<b>535892</b>	<b>541514</b>	<b>50.45</b>	<b>8970</b>	<b>528102</b>	<b>537072</b>	<b>50.03</b>	<b>-0.41</b>

(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	5622	536432	542054	50.50	8970	528642	537612	50.08	-0.41
	TOTAL (A)+(B)	227732	845668	1073400	100.00	251223	822177	1073400	100.00	0.00
(C)	Shares held by Custodians for GDRs & ADRs								0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	227732	845668	1073400	100.00	251223	822177	1073400	100.00	0.00

### B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding 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	161748	15.07%	NIL	161748	15.07%	NIL	0
2	Mr. Ankit R. Amin	3765	0.35%	NIL	3765	0.35%	NIL	0
3	Mr. Harshad Bhatt	12709	1.18%	NIL	12709	1.18%	NIL	0
4	Mrs. Kokila Patel	174307	16.24%	NIL	175057	16.31%	NIL	0.07
5	Mr. Kunal Patel	67701	6.31%	NIL	71393	6.65%	NIL	0.34
7	Mrs. Vaishali A. Amin	111116	10.35%	NIL	111116	10.35%	NIL	0

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

Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HARSHAD BHATT				
	At the beginning of the year	12709	1.18		
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					
	Date	Reason			
	At the End of the year	12709	1.18		
2	ANIL PATEL				
	At the beginning of the year	108408	10.10		
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					
	Date	Reason			
	At the End of the year	108408	10.10		
3	ANKITA RAJENDRA AMIN				
	At the beginning of the year	3765	0.35		
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					
	Date	Reason			
	At the End of the year	3765	0.35		
4	KOKILA PATEL				
	At the beginning of the year	73107	6.81		
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					
	Date	Reason			
	17-12-2018	Transfer	750	0.07	
	At the End of the year		73857	6.88	
5	VAISHALI ANKIT AMIN				
	At the beginning of the year	7366	0.69		
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					

Date	Reason				
<b>At the End of the year</b>		7366	0.69		
<b>Sl. No.</b>	<b>Name of the promoter</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
6	KUNAL ANILBHAI PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	29464	2.74		
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					
Date	Reason				
31-03-2018	Transfer	6684	0.63	36148	
<b>At the End of the year</b>		36148	3.37		
<b>Sl. No.</b>	<b>Name of the promoter</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
7	VAISHALI ANIL PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	103750	9.67		
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					
Date	Reason				
<b>At the End of the year</b>		103750	9.67		
<b>Sl. No.</b>	<b>Name of the promoter</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
8	ANIL B PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	53340	4.97		
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					
Date	Reason				
<b>At the End of the year</b>		53340	4.97		
<b>Sl. No.</b>	<b>Name of the promoter</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
9	KOKILABEN ANIL PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	101200	9.43		
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					
Date	Reason				
<b>At the End of the year</b>		101200	9.43		
<b>Sl. No.</b>	<b>Name of the promoter</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
10	KUNAL ANILBHAI PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	38237	3.56		
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					
Date	Reason				
17-12-2018	Transfer	-2992	-0.28	35245	0.28
<b>At the End of the year</b>		35245	3.28		

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

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	INDIRA C PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3825	0.36		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
Date	Reason				
21-11-2018	Transfer	-3825	0.36		
	<b>At the End of the year (or on the date of separation, if separated during the year)</b>	Nil			
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
2	SHAIKH ABDULRASID ABDUL GANI	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3333	0.31		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
Date	Reason				
	<b>At the End of the year (or on the date of separation, if separated during the year)</b>	3333	0.31		
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	

3	SEEMA SAJID CHASMAWALLA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2550	0.24		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
	Date	Reason			
	At the End of the year (or on the date of separation, if separated during the year	2550	0.24		
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
4	SMITA MEHTA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1950	0.18		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
	Date	Reason			
	31-07-2018	Transfer	-1950	0.18	
	At the End of the year (or on the date of separation, if separated during the year	Nil	0.18		
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
5	RAJKUMAR BEHR	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1575	0.15		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
	Date	Reason			
	At the End of the year (or on the date of separation, if separated during the year	1575	0.15		
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
6	DEENAZ V MIRZAN	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1500	0.14		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
	Date	Reason			
	At the End of the year (or on the date of separation, if separated during the year	1500	0.14		
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
7	YOGESH PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1350	0.13		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
	Date	Reason			
	At the End of the year (or on the date of separation, if separated during the year	1350	0.13		
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
8	RITA D SHAH	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1305	0.12		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
	Date	Reason			
	At the End of the year (or on the date of separation, if separated during the year	1305	0.12		
<b>Sl. No.</b>	<b>Name of the shareholder</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
9	GSB SHARE CUSTODIAN SER.LTD	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1290	0.12		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc					
	Date	Reason			

	<b>At the End of the year (or on the date of separation, if separated during the year)</b>		1290	0.12		
<b>Sl. No.</b>	<b>Name of the shareholder</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
10	NIRUBEN MANILAL PATEL		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		1215	0.11		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc)						
	Date	Reason				
	<b>At the End of the year (or on the date of separation, if separated during the year)</b>		1215	0.11		
<b>Sl. No.</b>	<b>Name of the shareholder</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
11	CHINUBHAI M PATEL		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	0		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc)						
	Date	Reason				
	21-11-2018	Transfer	3825	0.36		
	<b>At the End of the year (or on the date of separation, if separated during the year)</b>		3825	0.36		
<b>Sl. No.</b>	<b>Name of the shareholder</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
12	TRILPCHABD K DOSHI		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		1185	0.11		
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat/equity etc)						
	Date	Reason				
	<b>At the End of the year (or on the date of separation, if separated during the year)</b>		1185	0.11		

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

<b>Sl. No.</b>	<b>Name of the promoter</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
1	HARSHAD BHATT		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		12709	1.18		
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)						
	Date	Reason				
	<b>At the End of the year</b>		12709	1.18		
<b>Sl. No.</b>	<b>Name of the promoter</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
2	ANIL PATEL		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		108408	10.10		
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)						
	Date	Reason				
	<b>At the End of the year</b>		108408	10.10		
<b>Sl. No.</b>	<b>Name of the promoter</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
3	ANKITA RAJENDRA AMIN		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		3765	0.35		
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)						
	Date	Reason				
	<b>At the End of the year</b>		3765	0.35		
<b>Sl. No.</b>	<b>Name of the promoter</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
4	KOKILA PATEL		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		73107	6.81		
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)						
	Date	Reason				
	17-12-2018	Transfer	750	0.07		
	<b>At the End of the year</b>		73857	6.88		



Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5	VAISHALI ANKIT AMIN	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7366	0.69		
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					
	Date	Reason			
	31-03-2018	Transfer	6684	0.63	36148
	<b>At the End of the year</b>		36148	3.37	
Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	KUNAL ANILBHAI PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	29464	2.74		
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					
	Date	Reason			
	31-03-2018	Transfer	6684	0.63	36148
	<b>At the End of the year</b>		36148	3.37	
Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7	VAISHALI ANIL PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	103750	9.67		
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					
	Date	Reason			
	31-03-2018	Transfer	6684	0.63	36148
	<b>At the End of the year</b>		103750	9.67	
Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8	ANIL B PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	53340	4.97		
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					
	Date	Reason			
	31-03-2018	Transfer	6684	0.63	36148
	<b>At the End of the year</b>		53340	4.97	
Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9	KOKILABEN ANIL PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	101200	9.43		
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					
	Date	Reason			
	31-03-2018	Transfer	6684	0.63	36148
	<b>At the End of the year</b>		101200	9.43	
Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	KUNAL ANILBHAI PATEL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	38237	3.56		
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					
	Date	Reason			
	17-12-2018	Transfer	-2992	-0.28	35245
	<b>At the End of the year</b>		35245	3.28	0.28

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	126368270	9262990	0	135631260
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	126368270	9262990	0	135631260
<b>Change in Indebtedness during the financial year</b>				
* Addition	7702756041	0	0	7702756041
* Reduction	7705858524	500000	0	7706358524
<b>Net Change</b>	-3102483	-500000	0	-3602483
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	123265787	8762990	0	132028777
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	123265787	8762990	0	132028777

**G) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. In Lakhs)				
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Anil B Patel (MD)	Shri Kunal A Patel (WTD) & CFO	
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income- tax Act, 1961	72.00	54.00	126.00
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission i) as % of profit ii) others, specify...	-	-	-
5.	Others, please specify	--	-	-
	Total (A)	72.00	54.00	126.00

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	<b>3. Independent Directors</b>	<b>Shri Daxesh Patel</b>	<b>Shri Darshak Sheth</b>	<b>Shri Manish Raval</b>	<b>Shri Nilesh Patel</b>	
	a. Fee for attending board committee meetings b. Commission c. Others, please specify	---	---	---	---	---
	Total (1)	---	---	---	---	---
	<b>4. Other Non-Executive Directors Non-Independent Directors</b>	<b>Smt. Kokila A Patel</b>	<b>Shri Harshad S Bhatt</b>	---	---	---
	a. Fee for attending board committee meetings b. Commission c. Others, please specify	---	---	---	---	---
	Total (2)	---	---	---	---	---
	Total (B) = (1 + 2)	---	---	---	---	---
	Total Managerial Remuneration	---	---	---	---	---

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

**By Order of the Board of Directors.**

Place: Vanseti  
Date: 19<sup>th</sup> July, 2019

Anil Patel  
Chairman & Managing Director  
(DIN No. 00006904)



**DEVESH R DESAI**  
**COMPANY SECRETARY**

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

**Devesh R. Desai**  
M.Com. LL.B. ACS  
deveshrdesai2002@rediffmail.com

**ANNEXURE- II**

FORM NO. MR – 3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON MARCH 31<sup>ST</sup>, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31<sup>ST</sup>, 2019**

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, 2019, 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, 2019, 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.**
- I. The Securities and Exchange Board of India (LODR) Regulations, 2015
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.

**Devesh R. Desai**  
**Practicing Company Secretary**  
**ACS#11332 CP#7484**

**Place: Vadodara**  
**Date: 30/05/2019**

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.

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**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.

**Devesh R. Desai**  
**Practicing Company Secretary**  
**ACS#11332 CP#7484**

**Place: Vadodara**  
**Date: 30/5/2019**

## FORM NO. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

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

<b>MR NILESH PATEL</b>	<b>PROFESSIONAL DIRECTOR</b>	<b>Rs. 4,64,038.00</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	OM SUNTRONICS P LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE MACHINERY PARTS / REPARING
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.

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

<b>MR NILESH PATEL</b>	<b>PROFESSIONAL DIRECTOR</b>	<b>RS . 15,78,152.00</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	KALPVRUX CONVERTING PRODUCT P LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE MACHINERY PARTS/ REPARING / SALES
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.

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

<b>VAISHALI AMIN</b>		<b>SALARY : Rs 6,75,000</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	VAISHALI AMIN
b)	Nature of contracts/arrangements/transaction	SALARY
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.

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

<b>MR DARSHAK SHETH</b>	<b>DIRECTOR</b>	<b>RS 13,275</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	PRECISE AUTOMATION AND CONTROL P. LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE / REPAIRING
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.



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

<b>ASSOCIATE COMPANY</b>	<b>Rs .18,37,342.00</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	STAG PRINT P LTD
b)	Nature of contracts/arrangements/transaction	PURCHASE
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.

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

<b>KUNAL PATEL</b>	<b>PARTNER IN AMAN ENTERPRISES</b>	<b>PURCHASE Rs . 5,17,32,412.00</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	AMAN ENTERPRISES
b)	Nature of contracts/arrangements/transaction	PURCHASE
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.

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

<b>ANIL PATEL</b>	<b>MANAGING DIRECTOR</b>	<b>REMUNERATION &amp; INTEREST Rs. 74,13,750.0</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	ANIL PATEL
b)	Nature of contracts/arrangements/transaction	REMUNERATION / UNSECURED LOAN / INTEREST
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.

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

<b>KUNAL PATEL</b>	<b>DIRECTOR</b>	<b>REMUNEARTION RS 54,00,000.00 Lacs</b>
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1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	KUNAL PATEL
b)	Nature of contracts/arrangements/transaction	REMUNERATION
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
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	N.A.

**By Order of the Board of Directors.**

Place: Vanseti  
Date: 19<sup>th</sup> July, 2019

Anil Patel  
Chairman & Managing Director  
(DIN No. 00006904)

**B. Details of material 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/transaction s	Duration of the contracts / arrangements / transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:
(A)	(B)	(C)	(D)	(E)
1	Mr. Kunal Patel Director) Appointed With Effect From 06.08.2014	Employment : Managerial Personnel and unsecured Loan	Director-Remuneration	Director Remuneration and interest on unsecured loan
2	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 .
3	AMAN ENTERPRISES	Purchase Of Raw Material	Ongoing Basis	Purchase Of Gravure Inks
4	STAG PRINT P LTD	Sales	Ongoing Basis	Purchase of Material
5	ANUPAM TRADING CO.	RENT PAID	Ongoing Basis	Office Rent Paid
6	OM SUNTRONICS P LTD	Purchase Of Services	Ongoing Basis	Repairing of Machine
7	KALPAVRUX CONVERTING PRODUCT P LTD	Purchase Of Capital Goods And Services	Ongoing Basis	Purchase of Machine
8	VAISHALI AMIN	Salary	Ongoing Basis	Salary
9	PRECISE AUTOMATION AND CONTROL P. LTD	Purchase Of Services	Ongoing Basis	Repairing to machinery.



**DEVESH R DESAI**  
**COMPANY SECRETARY**

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

**Devesh R. Desai**  
M.Com. LL.B. ACS  
deveshrdesai2002@rediffmail.com

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE  
(UNDER SCHEDULE V AND REGULATION 34(3) OF SEBI)  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015]**

To,  
The Members of PurityFlex pack Ltd.

1. We have reviewed the compliance of conditions of Corporate Governance by Purity Flexpack Limited (the Company) during the year ended March 31, 2019 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

2. The compliance of the conditions of corporate governance is the responsibility of the Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Schedule V and Regulation 34(3) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with in all material respects by the Company.

**Devesh R. Desai**  
Practicing Company Secretary  
ACS#11332 CP#7484  
Place: Vadodara

Date: 30/05/2019

**Modi & Joshi**  
Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PURITY FLEXPACK LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of **PURITY FLEXPACK LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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**Information other than the Financial Statement and Auditor's Report thereon**

The Company's Board of Directors is responsible for preparation the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon;

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were 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;

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so;

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards;

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;



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- (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";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, Modi & Joshi  
Chartered Accountants  
Firm Registration Number: 135442W

Mitul Modi  
Partner  
Membership No.: 154342  
Place: Vadodara  
Date: 30<sup>th</sup> May, 2019

**Modi & Joshi**

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT****Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2019.**

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- I. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments;

As informed to us, the company has regular programme of physical verification of its fixed assets by which the fixed assets are verified in phased manner over a period of time. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the title deeds of immovable properties are held in the name of the Company;

- II. As per the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and No material discrepancies were noticed on physical verification;
- III. According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to Companies, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the requirements of sub-clause (a), (b) and (c) of clause (iii) are not applicable to the Company.
- IV. In our opinion and according to the information provided to us, there are no loans to directors including entities in which they are interested in respect of which provision of section 185 are applicable and hence not commented upon. Further, in our opinion and according to information and explanation given to us, provision of section 186 in respect of loans and advances given and investment made have been complied with by the Company. There are no guarantees and securities given in respect of which provision of section 186 of the Act are applicable and hence not commented upon;
- V. In our opinion and as explained to us, the Company has not accepted any deposits during the year and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the company;
- VI. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any services rendered by the company;
- VII. According to the information and explanations given to us, in respect of statutory dues:

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- a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax (GST), Customs Duty, Cess, income tax, and any other statutory dues and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2019, for a period of more than six months from the date they became payable;
- b) According to the information and explanations given to us and the records examined by us, there are following disputed dues of Income Tax, that have not been deposited on account of dispute;

Name of the statute	Nature of dues	Amounts (Rs.)	Period to which the amounts relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Demand of Rs. 24.94 Lacs to be reduced by the amount paid Rs. 3.74 Lacs.	April, 2013 to March, 2014	The Commissioner of Income Tax (Appeals)

- VIII. Based on our audit procedure and according to the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks, Government or dues to debenture holders;
- 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 the term loans were applied for the purpose for which the loan were obtained during the year;
- X. During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither came across any incidence of fraud on or by the company noticed or reported during the year, nor we have been informed of any such case by the management;
- XI. In our opinion and according to the information and explanations given to us, the Company has paid/provided 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 explanation given to us, the Company is not a Nidhi company. Accordingly, this clause of the Order is not applicable;
- XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards;

**Modi & Joshi**Chartered Accountants

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- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- XV. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence, the provisions of Section 192 of the Act are not applicable;
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, Modi & Joshi  
Chartered Accountants  
Firm Registration Number: 135442W

Mitul Modi  
Partner  
Membership No.: 154342  
Place: Vadodara  
Date: 30<sup>th</sup> May, 2019

**Modi & Joshi**

Chartered Accountants

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**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT****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 March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company 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.

**Modi & Joshi**

Chartered Accountants

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements of the company and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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, Modi & Joshi  
Chartered Accountants  
Firm Registration Number: 135442W

Mitul Modi  
Partner  
Membership No.: 154342  
Place: Vadodara  
Date: 30<sup>th</sup> May, 2019

**Balance Sheet as at 31st March 2019**

(Rs in Lacs)

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant & Equipment	3.1	2,760.34	2,637.65
c) Intangible assets	3.2	3.08	-
d) Financial Assets			
i) Investments	4	74.58	70.21
ii) Other Financial Assets	5	38.86	37.88
e) Other Non-Current Assets	6	3.74	3.74
<b>Total Non- Current Assets</b>		<b>2,880.61</b>	<b>2,749.48</b>
<b>Current Assets</b>			
a) Inventories	7	863.48	717.93
b) Financial Assets			
i) Trade Receivables	8	952.24	951.84
ii) Cash and Cash Equivalents	9.1	20.45	11.65
iii) Bank Balances Other than ii) above	9.2	52.82	82.47
v) Other Financial Assets	10	16.91	13.72
c) Other Current Assets	11	102.89	31.08
<b>Total Current Assets</b>		<b>2,008.78</b>	<b>1,808.69</b>
<b>TOTAL ASSETS</b>		<b>4,889.39</b>	<b>4,558.17</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	12	107.34	107.34
b) Other Equity	13	1,864.09	1,659.15
<b>Total Equity</b>		<b>1,971.43</b>	<b>1,766.49</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	14	626.95	847.90
c) Deferred Tax Liabilities	15	293.31	312.69
<b>Total Non- Current Liabilities</b>		<b>920.26</b>	<b>1,160.59</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	16	390.69	314.54
ii) Trade Payables	17		
Total Outstanding Dues of micro and small enterprises			
Total Outstanding Dues of creditors other than micro and small enterprises		1,112.21	1,011.37
iii) Other Financial Liabilities	18	14.60	33.67
b) Other current Liabilities	19	403.76	238.60
c) Provisions	20	76.44	32.91
<b>Total Current Liabilities</b>		<b>1,997.70</b>	<b>1,631.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,889.39</b>	<b>4,558.17</b>

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

**For Modi & Joshi****Chartered Accountants**

Firm Registration No. 135442W

**Mitul Modi**

Partner

Membership No. 154342

Place: Vadodara

Date: 30.05.2019

**For and on behalf of the Board of Directors****Purity Flexpack Ltd**

CIN : L25200GJ1988PLC010514

**Anil Patel**Chairman & Managing  
Director

DIN: 00006904

Place: Vanseti

Date: 30.05.2019

**Kunal Patel**

Director

DIN: 00106545

## Statement of Profit and Loss for the Year Ended 31st March 2019

(Rs in Lacs)

Particulars	Note No.	For the period ended	
		31.03.2019	31.03.2018
<b><u>Revenue from Operations</u></b>			
Gross Sales		6,357.71	6,223.58
Other Operating Income		12.46	34.95
<b>Revenue from Operations</b>	21	<b>6,370.17</b>	<b>6,258.52</b>
<b>Other Income</b>	22	9.97	10.56
<b>Total Income</b>		<b>6,380.14</b>	<b>6,269.09</b>
<b><u>Expenses</u></b>			
Cost of Materials Consumed	23	4,657.37	4,334.10
Manufacturing Expense	24	364.45	314.72
Changes in inventories of finished goods and work-in-	25	(28.92)	(5.58)
Employee Benefit expenses	26	550.00	471.77
Finance costs	27	111.91	90.39
Depreciation and Amortization expenses	28	232.48	196.61
Other expenses	29	304.05	418.35
<b>Total Expenses</b>		<b>6,191.35</b>	<b>5,820.36</b>
<b>Profit Before Tax</b>		188.79	448.73
<b>Less/ (Add): Tax expenses:</b>			
- Current Tax		39.75	92.70
- MAT Credit (entitlement)/utilisation		(33.42)	(6.97)
- Earlier Year Income Tax		(2.38)	-
- Deferred Tax		(19.58)	74.92
<b>Profit for the Year/Period</b>		<b>204.42</b>	<b>288.07</b>
<b>Other Comprehensive Income</b>			
<b><u>Items that will not be reclassified to Profit or Loss</u></b>			
Remeasurement of Gains/(Losses) on defined benefit Plans		0.71	3.27
Income Tax relating to items that will not be reclassified to Profit & Loss		(0.20)	(1.13)
<b>Total (Net of Tax)</b>		0.51	2.14
<b>Total Comprehensive Income for the Year/Period</b>		<b>204.93</b>	<b>290.21</b>
<b><u>Earnings Per Equity Share</u></b>			
a) Basic (Rs.)		19.04	26.84
b) Diluted (Rs.)		19.04	26.84

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

**For Modi & Joshi**

**Chartered Accountants**

Firm Registration No. 135442W

**Mitul Modi**

Partner

Membership No. 154342

Place: Vadodara

Date: 30.05.2019

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

**Purity Flexpack Ltd**

CIN : L25200GJ1988PLC010514

**Anil Patel**

Chairman & Managing  
Director

DIN: 00006904

Place: Vanseti

Date: 30.05.2019

**Kunal Patel**

Director

DIN: 00106545



## Statement of Cashflow

(Rs in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before tax	188.79	448.73
<b>Adjustment for:</b>		
Depreciation and Amortization expense	232.48	196.61
(Gain)/ Loss on sale of property, plant and equipment, net	2.54	(0.07)
Finance costs	111.91	90.39
Income received from Banks/ MF/Others	(5.60)	(8.43)
Net (gain)/loss arising on investments measured at fair value through profit and loss	(4.37)	(2.13)
<b>Operating Profit before Working Capital Changes</b>	525.75	725.09
<b>Adjustment for:</b>		
Change in Trade receivables	(0.39)	(247.37)
Change in Other Non current financial assets	(0.97)	(10.31)
Change in Other current financial assets	(3.20)	18.50
Change in Other assets	(71.81)	127.36
Change in Inventories	(145.55)	(38.39)
Change on other bank balance	29.65	(36.25)
Change in Trade payables	100.85	88.28
Change in Other financial liabilities	(19.08)	3.04
Change in Other current liabilities and provisions	77.82	11.11
<b>Cash generated from Operations</b>	493.07	641.06
Less Income tax	3.95	85.73
<b>Net Cash generated from Operating Activities (A)</b>	<b>489.13</b>	<b>555.33</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investment	-	(30.00)
Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(388.95)	(967.89)
Sale proceeds of Property, Plant & Equipment	28.15	0.20
Interest received from Banks/ Others	5.60	8.43
<b>Net Cash used in Investing Activities (B)</b>	<b>(355.21)</b>	<b>(989.26)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost	(111.91)	(90.39)
Proceeds/(Repayment) of Short term Borrowings	76.14	(123.21)
Proceeds/(Repayment) of Long term Borrowings	(89.36)	625.58
<b>Net Cash used in Financing Activities (C)</b>	<b>(125.13)</b>	<b>411.97</b>
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>8.79</b>	<b>(21.95)</b>
Cash & Cash Equivalents at the beginning of the period/year	11.65	33.60
<b>Cash &amp; Cash Equivalents at the end of the period/year</b>	<b>20.45</b>	<b>11.65</b>

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

For Modi &amp; Joshi

Chartered Accountants

Firm Registration No. 135442W

For and on behalf of the Board of Directors

Purity Flexpack Ltd

CIN : L25200GJ1988PLC010514

Mitul Modi

Partner

Membership No. 154342

Anil Patel

Chairman & Managing  
Director

DIN: 00006904

Kunal Patel

Director

DIN: 00106545

Place: Vadodara

Date: 30.05.2019

Place: Vanseti

Date: 30.05.2019

Statement of Change in Equity

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
(A) <b>Equity Share Capital</b>		
Balance at the beginning of the year/period	107.34	107.34
Change in equity share capital during the year/period	-	-
Balance at the end of the year/period	107.34	107.34

(Rs in Lacs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1st April 2017 as per Ind AS</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,320.23</b>	<b>1,368.94</b>
Profit for the Year	-	-	-	288.07	288.07
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	2.14	2.14
<b>Balance as at 31st March 2018</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,610.44</b>	<b>1,659.15</b>
<b>Balance as at 1st April 2018</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,610.44</b>	<b>1,659.15</b>
Profit for the Year	-	-	-	204.42	204.42
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	0.51	0.51
<b>Balance as at 31st March 2019</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,815.37</b>	<b>1,864.09</b>

As per our report of even date attached

**For Modi & Joshi**

**Chartered Accountants**

Firm Registration No. 135442W

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

**Purity Flexpack Ltd**

CIN : L25200GJ1988PLC010514

**Mitul Modi**

Partner

Membership No. 154342

Place: Vadodara

Date: 30.05.2018

**Anil Patel**

Chairmand and Managing Director

DIN: 00006904

Place: Vanseti

Date: 30.05.2018

**Kunal Patel**

Director

DIN: 00106545

STATEMENT OF ACCOUNTING RATIOS

Rs (in Lacs) Except per share data

Particulars	For the year ended March 31,	
	2019	2018
<b>A Net Profit after tax, as restated</b>	<b>204.42</b>	<b>288.07</b>
Share Capital	107.34	107.34
Reserves & Surplus	1,864.09	1,659.15
<b>B Net Worth</b>	<b>1,971.43</b>	<b>1,766.49</b>
<b>C Weighted average number of equity shares outstanding</b>	<b>10.73</b>	<b>10.73</b>
<b>Earnings Per Share (Equity Shares, Par Value of Rs. 10/- each) (A/C)</b>		
Basic (Rs.)	19.04	26.84
Diluted (Rs.)	19.04	26.84
<b>Net Asset Value Per share (B/C)</b>	<b>183.66</b>	<b>164.57</b>

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

**For Modi & Joshi**

**Chartered Accountants**

Firm Registration No. 135442W

**Mitul Modi**

Partner

Membership No. 154342

Place: Vadodara

Date: 30.05.2019

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

**Purity Flexpack Ltd**

CIN : L25200GJ1988PLC010514

**Anil Patel**

Chairman & Managing Director

DIN: 00006904

Place: Vanseti

Date: 30.05.2019

**Kunal Patel**

Director

DIN: 00106545

## 1. Corporate information

Purity Flexpack Limited (“the Company”) is a limited company domiciled and incorporated in India having its registered office at Vasanti, Post Tajpura, Near Halol, Dist Panchmahal-389 350. The principal activity of the Company is to manufacturing of Flexible Packaging Materials.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

### A. COMPLIANCE WITH IND AS:

This Financial Statements comply in all material respects with Indian Accounting Standard (“Ind AS”) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the Financial Statement.

#### i. Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a) Certain financial assets and liabilities (including derivative instruments) that are measured at fair value
- b) Defined benefit plans: plan assets measured at fair value

#### ii. Rounding of Amounts:

The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

### B. SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the end of the financial statements and reported amounts of income and expense during the year.

The management believes that these estimates are prudent and reasonable and are based on management’s best knowledge of current events and actions. Actual results could differ from these estimates and difference between actual results and estimates are recognised in the period in which results are known or materialised.

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants

The principal accounting policies are set out below.

## 2.1. Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The effect on adoption of Ind AS 115 was not significant.

### Revenue from contracts with customers

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised in the Statement of Profit and Loss to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably. Revenue is presented gross of excise duties, wherever applicable. However, sales tax/ value added tax (VAT)/Goods &

Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the Company on behalf of the Government. Accordingly, these are excluded from revenue.

### **Sale of Goods and Services**

Revenue is recognised when the customer obtains control of the goods. The customer obtains control of goods at the different point in time based on the delivery terms. Accordingly, company satisfies its performance obligation at the time of dispatch of goods from the factory/stockyard/storage area/port as the case may be and accordingly revenue is recognised. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, rate differences including currency fluctuation and volume rebates.

The determination of transaction price, its allocation to promised goods and allocation of discount or variable compensation (if any) is done based on the contract with the customers.

### **Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method and shown under interest income in statement of profit and loss. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

### **Dividend Income**

Dividend income from investment is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

## **2.2. Foreign Exchange Transactions**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies at the year-end are restated at closing rates. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/(loss).

Foreign exchange gain/(loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Exchange difference arising in respect of long term foreign currency monetary items that relates to acquisition of a depreciable capital asset are added to or deducted from the cost of the asset and are depreciated over the remaining useful life of an asset.

## **2.3. Borrowing Costs**

Borrowing costs specifically identified to the acquisition or construction or production of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.4. Employee Benefits

Employee benefits include provident fund, gratuity and leave encashment.

### Defined contribution plans

Employee benefit under defined contribution plan comprising of provident fund is recognized based on the amount of obligation of the Company to contribute to the plan. The contribution is paid to Regional Provident Fund Commissioner, which is expensed during the year.

### Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government bond as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company has instituted a Group - cum - Life Insurance Scheme with the Life Insurance Corporation of India, so far as gratuity is concerned.

## 2.5. Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Antidilutive options are not considered in computing dilutive earning per share.

## 2.6. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit after 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 are segregated into operating, investing and financing activities.

## 2.7. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### Current and deferred tax for the year

Current and deferred tax expense are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax expense are also recognised in other comprehensive income or directly in equity respectively.

### Minimum alternate tax (MAT)

MAT paid in a year is charged to the Statement of profit and loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 2.8. Property, plant and equipment

Buildings held for use in the production or supply of goods, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Property, plant and equipment (other than buildings) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Capital work-in-progress

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation

Depreciation is provided on the cost of PPE less their residual values, using the straight line method over the useful life of PPE as specified in Schedule II to the Companies Act, 2013 except in case of certain items of PPE where useful life has been considered based on technical assessment. Estimated useful lives of the assets are as follows:

Sl. No.	Particulars	Useful lives ( in years)
1.	Buildings	30-60
2.	Roads and Culverts	3
3.	Plant and Machinery	15
4.	Office equipment	5
5.	Computer and Server	3-6
6.	Furniture and fixtures	10
7.	Vehicles	8-10
8.	Electrification	10
9.	Solar Plant	15
10.	Laboratory Equipment	10

he estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**2.9. Intangible Assets**

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization or depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

The useful life is assessed as either finite or indefinite. Intangible with finite lives are amortised on straight line basis over the useful lives of the assets and assessed for



impairment. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss

Intangible assets with infinite lives are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in statement of profit and loss.

## 2.10. Impairment of PPE

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and intangible assets of a cash generating unit to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the statement of profit and loss.

## 2.11. Inventories

Inventories are valued at lower of cost or net realizable value. Cost of inventories comprises of purchase cost and other costs incurred in bringing inventories to their present location and condition. The cost has been determined as under:

Raw material	On First in First out (FIFO) basis.
Finished products	At Raw material and Conversion cost
Stock-in-process	At Raw material and Proportionate Conversion cost.
Stores and spares (other than those capitalised as property, plant and equipment) and other trading goods	On cost basis.

## 2.12. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefits is remote.

## 2.13. Financial instruments

### A. FINANCIAL ASSETS

#### INITIAL RECOGNITION

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### SUBSEQUENT MEASUREMENT

Financial assets are classified into the following specified categories:

- Financial assets carried at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit and loss (FVTPL);

#### **EQUITY INSTRUMENTS**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## **DEBT INSTRUMENTS**

### **MEASURED AT AMORTISED COST**

Financial Assets that are held for collection of contractual cash flow where those cash flows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the Effective Interest Rate (EIR) method. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

### **MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income (FVTOCI).

Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss.

On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

### **MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as Fair Value through profit or loss (FVTPL). Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

## **IMPAIRMENT OF FINANCIAL ASSET**

The company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivable only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of such receivables.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.

## **DE-RECOGNITION OF FINANCIAL ASSETS**

A financial asset is de-recognised only when the Company, has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## **B. FINANCIAL LIABILITIES**

### INITIAL RECOGNITION AND MEASUREMENT

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings, trade and other payables

### SUBSEQUENT MEASUREMENT

Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at fair value through profit or loss include derivatives. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own Credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

### **LOANS AND BORROWINGS**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### DE-RECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### OFF-SETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **2.14. Segment reporting**

Operating segments are identified and reported taking into account the different risk and returns, the organization structure and the internal reporting systems.

#### **2.15. Current & non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### **2.16. Recent Indian Accounting Standards (Ind AS) – Ind AS 116**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors replacing the existing Ind AS 17. It introduces a single accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The company is currently evaluating the possible impact of the applicable Ind AS on its Financial Statement. The Company will follow cumulative catch up approach and hence will not restate comparative information and resultant effect shall be adjusted to the opening balance of retained earnings as on April 1, 2019.

In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

Note 3.1: Property, Plant & Equipment

Particulars	Property, Plant & Equipments (Rs in Lacs)											Total		
	Freehold Land	Factory Building	Road	Administrative Building	Plant & Machinery	Solar Plant	Electrification	Office Equipment	Fire Fighting Equipment	Furniture & Fixture	Vehicles		Laboratory Equipment	Computer
<b>Gross Carrying Value</b>														
As at 1st April, 2017	4.32	316.49	24.87	164.64	1,990.95	146.86	44.66	21.53	0.22	46.07	116.26	1.72	9.94	2,888.53
Additions during the year	-	17.52	-	-	851.52	-	11.01	0.32	-	-	94.35	-	2.94	977.67
Disposal during the year	-	-	-	-	-	-	-	-	-	-	2.52	-	-	2.52
As at 31st March 2018	4.32	334.01	24.87	164.64	2,842.47	146.86	55.67	21.85	0.22	46.07	208.10	1.72	12.88	3,863.68
As at 1st April, 2018	4.32	334.01	24.87	164.64	2,842.47	146.86	55.67	21.85	0.22	46.07	208.10	1.72	12.88	3,863.68
Additions during the year	-	88.66	-	-	268.67	-	0.78	1.01	-	-	30.53	-	1.32	390.97
Other adjustments	-	-	-	-	(4.24)	-	-	-	-	-	-	-	-	(4.24)
Disposal during the year	-	-	-	31.14	6.64	-	-	-	-	-	23.11	-	-	60.89
As at 31st March 2019	4.32	422.67	24.87	133.50	3,100.26	146.86	56.45	22.86	0.22	46.07	215.51	1.72	14.20	4,189.52
<b>Depreciation</b>														
As at 1st April, 2017	-	117.54	8.15	13.58	754.55	29.66	32.04	6.58	0.22	20.42	38.73	1.36	8.99	1,031.82
Provided for the year	-	10.07	7.88	3.53	133.66	9.33	2.26	3.88	-	2.80	22.52	0.24	0.45	196.61
Disposal during the year	-	-	-	-	-	-	-	-	-	-	2.39	-	-	2.39
As at 31st March 2018	-	127.61	16.03	17.11	888.21	38.99	34.29	10.45	0.22	23.22	58.85	1.60	9.44	1,226.04
As at 1st April, 2018	-	127.61	16.03	17.11	888.21	38.99	34.29	10.45	0.22	23.22	58.85	1.60	9.44	1,226.04
Provided for the year	-	10.67	7.60	2.45	166.15	9.34	2.49	3.98	-	3.04	25.03	0.04	1.40	232.19
Disposal during the year	-	-	-	12.58	4.79	-	-	-	-	-	11.68	-	-	29.05
As at 31st March 2019	-	138.28	23.63	6.99	1,049.58	48.33	36.78	14.43	0.22	26.26	72.20	1.64	10.84	1,429.18
<b>Net Carrying Value</b>														
As at 31st March 2018	4.32	206.40	8.84	147.53	1,954.26	107.87	21.38	11.40	-	22.86	149.24	0.12	3.44	2,637.65
As at 31st March 2019	4.32	284.39	1.24	126.51	2,050.68	98.53	19.67	8.43	-	19.82	143.31	0.08	3.36	2,760.34

**Note 3.2: Intangible Assets**

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Computer Software & Licenses		
Opening Bal	-	-
Add Purchase During the Year	3.38	-
	3.38	-
Less Depreciation for the Year	0.29	-
<b>Total</b>	<b>3.08</b>	<b>-</b>

**Note 4: Non-Current Financial Investments**

(Rs in Lacs)

Particulars	Face Value	As at	As at
		31.03.2019	31.03.2018
<u>Unquoted fully paid up Equity Shares (Measured at FVTOCI)</u>			
1 Stag Print Private Limited {1300 Equity Shares of ₹. 10 each fully paid}	10	1.30	1.30
<u>Investment in Mutual Fund (Measured at FVTPL)</u>			
1 Birla Sun Life Balanced '95 Fund (Growth)		5.88	5.69
2 Franklin India Balanced Fund (Growth Plan)		12.05	11.20
3 HDFC Balanced Fund (Growth Option)		12.78	11.93
4 HDFC Equity Savings Fund (Growth)		11.75	11.04
5 Aditya Birla MNC Fund		4.94	4.69
6 Aditya Birla Sunlife Fratline Equity		5.13	4.73
7 Franklin India Highgrowth Co fund		5.02	4.56
8 IDFC Balance Fund		10.56	10.29
9 Mirae Assets India Equity Fund		2.70	2.36
10 Sundaram Rural India Fund		2.48	2.42
<b>Total</b>		<b>74.58</b>	<b>70.21</b>

4.1 Aggregate Cost of Investment in Mutual Funds	65.00	65.00
4.2 Aggregate Market Value of Investment in Mutual Funds	73.28	68.91
4.3 Aggregate Cost of Unquoted Investments	1.30	1.30

**Note 5: Non-Current Other Financial Assets**

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
(Unsecured, Considered Good)		
Security Deposits	38.86	37.88
<b>Total</b>	<b>38.86</b>	<b>37.88</b>

There are no loans given to Related Parties.

**Note 6: Other Non- Current Assets**

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Deposit/ Advances with Tax Authorities	3.74	3.74
<b>Total</b>	<b>3.74</b>	<b>3.74</b>

## Note 7: Inventories \*

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
<b>(Valued at lower of Cost and Net realisable value)</b>		
Raw Materials	474.16	383.22
Work-in-progress	199.57	170.72
Finished goods	19.64	19.57
Stores	156.16	131.84
Packing Material	13.96	12.58
<b>Total</b>	<b>863.48</b>	<b>717.93</b>

\*Hypothecated with Banks for Working Capital Facility.

## Note 8: Current Financial Trade Receivables \*

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Receivables Considered Good - Secured	-	-
Receivables Considered Good - Unsecured	952.24	951.84
Receivables which have significant increase in credit risk	-	-
Receivables - Credit impaired	-	-
<b>Total</b>	<b>952.24</b>	<b>951.84</b>
Less: Allowance for bad & doubtful debts	-	-
<b>Total</b>	<b>952.24</b>	<b>951.84</b>
<b>Outstanding from Related Parties</b>		
Considered Good	15.21	21.51
Considered Doubtful	-	-
	<b>15.21</b>	<b>21.51</b>
<b>Movements in Allowance for Bad &amp; Doubtful debts:</b>		
Opening balance	-	-
(+) Provision made during the year	-	-
(-) Amount utilised from the provision	-	-
Closing Balance	-	-

\*Hypothecated with Banks for Working Capital Limit

\*Receivables from related party refer Note: 35

## Note 9: Cash &amp; Bank Balances

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
<b>9.1 Cash &amp; Cash Equivalents</b>		
- Balance with Banks:	13.34	4.20
- Cash on hand	7.11	7.45
<b>Sub-Total (A)</b>	<b>20.45</b>	<b>11.65</b>
<b>9.2 Other Bank Balances</b>		
- Fixed Deposit Accounts (With original maturity greater than 3 months but less than 12 months)*	52.82	82.47
<b>Sub-Total (B)</b>	<b>52.82</b>	<b>82.47</b>
<b>Total (A+B)</b>	<b>73.26</b>	<b>94.12</b>

\*Pledged with bank as margin for Letter of Credit.

## Note 10: Other Financial Assets

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Other Receivables		
- From Others	16.91	13.72
<b>Total</b>	<b>16.91</b>	<b>13.72</b>

## Note 11: Other Current Assets

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Balance with revenue authorities	35.39	11.02
Mat Credit	40.40	6.97
Prepaid Expense	27.10	13.09
<b>Total</b>	<b>102.89</b>	<b>31.08</b>



**Note 12: Share Capital**

(Rs in Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Authorised Capital</b>		
6,000,000 Equity Shares of Rs. 10/- each	600.00	600.00
<b>Issued, Subscribed &amp; Fully Paid-up Capital</b>		
10,73,400 Equity Shares of Rs. 10/- each fully paid up	107.34	107.34
<b>Total Share Capital</b>	<b>107.34</b>	<b>107.34</b>

There is no increase in Authorised Capital.

**a) Reconciliation of the number of Equity shares**

(No of share in Lacs)

Particulars	As at	
	31.03.2019	31.03.2018
(A) Equity Share Capital		
Balance at the beginning of the year	10.73	10.73
Changes during the year	-	-
Balance at the end of the year	10.73	10.73

**b) Rights, Preferences & Restrictions of each class of shares**

The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**c) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash**

The Company has not issued/allotted any shares as fully paid-up by way of consideration other than cash.

**d) Particulars of shares reserved for options and contracts/commitments for sale of shares/ disinvestment**

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

**e) Particulars of calls unpaid**

There is no calls unpaid, hence disclosure is not applicable.

**f) Subdivision of Shares**

There is no subdivision of shares during this period, hence such disclosure is not applicable.

**g) Shares Forfeited**

There is no forfeiture of shares, hence such disclosure is not applicable.

**h) Details of Equity Shareholders holding more than 5% shares in the company:**

(No of share in Lacs)

Particulars	As at 31.03.2019		As at 31.03.2018	
	% of Holding	No of Shares	% of Holding	No of Shares
1 Anil Patel	15.07%	1.62	15.07%	1.62
2 Kokila Patel	16.31%	1.75	16.24%	1.74
3 Vaishali Amin	10.35%	1.11	10.35%	1.11
4 Kunal Patel	6.65%	0.71	6.31%	0.68

**Note 13: Other Equity**

(Rs in Lacs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1st April 2017</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,320.23</b>	<b>1,368.94</b>
Profit for the Year	-	-	-	288.07	288.07
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	2.14	2.14
<b>Balance as at 31st March 2018</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,610.44</b>	<b>1,659.15</b>
<b>Balance as at 1st April 2018</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,610.44</b>	<b>1,659.15</b>
Profit for the Year	-	-	-	204.42	204.42
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	0.51	0.51
<b>Balance as at 31st March 2019</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>1,815.37</b>	<b>1,864.09</b>

A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

B) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

## Note 14: Non-Current Financial Borrowings

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
<b>Secured</b>		
<b>Term Loans:</b>		
- From Banks	987.27	1,076.63
<b>Total</b>	<b>987.27</b>	<b>1,076.63</b>
Less: Current portion	360.32	228.73
<b>Total</b>	<b>626.95</b>	<b>847.90</b>

###	Name of Institution/ Bank/ Others	31.03.2019	31.03.2018
1	<b>HDFC Bank</b>		
	Term Loan I	0.71	3.39
	Term Loan II	19.36	-
2	<b>Axis Bank</b>		
	Term Loan I	-	10.45
	Term Loan II	7.58	25.74
	Term Loan III	10.46	30.56
	Term Loan IV	120.12	223.04
	Term Loan V	164.57	220.77
	Term Loan VI - USD (Foreign Currency Loan)	383.97	488.00
	Term Loan VII	45.59	64.12
	Term Loan VIII	7.98	10.55
	Term Loan IX	226.93	-
	<b>Total Borrowings</b>	<b>987.27</b>	<b>1,076.63</b>
	<b>Non-Current Portion</b>	<b>626.95</b>	<b>847.90</b>
	<b>Current Portion</b>	<b>360.32</b>	<b>228.73</b>

- 1 Term Loan - HDFC Term Loan I Rs. 0.71 lacs (PY 3.39 ) secured by way of Hypothecation of Car. The Loan is repayable in equal monthly instalments each of Rs. 0.24 lacs along with Interest @ 9.65% P.a.
- 2 Term Loan - HDFC Term Loan II Rs. 19.36 lacs (PY Nil ) secured by way of Hypothecation of Car. The Loan is repayable in equal monthly instalments each of Rs. 0.68 lacs along with Interest @ 9.01 % P.a.
- 3 Term Loan - Axis Bank Term Loan I Rs. Nil (PY Rs. 10.45 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of Rs. 0.93 lacs along with Interest @ 9.65% P.a.
- 4 Term Loan - Axis Bank Term Loan II Rs. 7.58 lacs (PY Rs. 25.74 lacs) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of Rs. 1.50 lacs, Interest @ 2.75% above Base Rate (i.e. 10.45%) p.a.
- 5 Term Loan - Axis Bank Term Loan III Rs. 10.46 lacs (PY Rs. 30.56 Lacs) secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc. The Loan is repayable in equal monthly instalments each of Rs. 1.66 lacs, Interest @ 2.75% above Base Rate (i.e. 10.45%) p.a.
- 6 Term Loan - Axis Bank Term Loan IV Rs. 120.12 lacs (PY Rs. 223.04 lacs) secured by way of Hyp. Of Machinery, Electric Installation, Furniture, office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of Rs. 8.50 lacs after the moneterium period of 6 months, Interest @ 2.75% above Base Rate (i.e. 10.45%) p.a.
- 7 Term Loan - Axis Term Loan V Rs. 164.57 Lacs (PY Rs. 220.00 Lacs) secured by way of Hypothecation of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of Rs. 4.65 lacs along with Interest @ 10.45% P.a.
- 8 Term Loan - Axis Loan VI Rs. 383.97 Lacs (PY Rs. 488.00 Lacs) secured by way of Hypothecation of Hyp. Of Machinery , Electric Installation , Furniture , office equipemnt etc of the Company. The Loan is repayable in equal monthly instalments each of 14203 USD along with Interest @ 6.21% P.a.
- 9 Term Loan - Axis term Loan VII Rs. 45.59 lacs (PY Rs. 64.11 lacs ) secured by way of Hypothecation of Car. The Loan is repayable in equal monthly instalments each of Rs. 1.93 lacs along with Interest @ 8.51% P.a.
- 10 Term Loan - Axis term Loan VIII Rs. 7.98 lacs (PY Rs. 10.55 lacs ) secured by way of Hypothecation of tempo traveller. The Loan is repayable in equal monthly instalments each of Rs. 0.27 lacs along with Interest @ 8.25% P.a.

11 Term Loan - Axis term Loan IX Rs. 226.92 lacs (PY Nil ) secured by way of Hypothecation of Plant & Machinery. The Loan is repayable in equal monthly instalments each of Rs. 4.17 lacs and Interest is to be paid separately @ 9.85% P.a. (1 year MCLR + 1.25%)

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

**Note 15: Deferred Tax Liabilities (Net)**

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Deferred Tax Liability		
On account of PPE	289.56	308.02
On account of gratuity	3.75	4.67
<b>Net Deferred Tax Liability (A)</b>	<b>293.31</b>	<b>312.69</b>
Deferred Tax Asset		
On account of gratuity	-	-
<b>Net Deferred Tax Assets (B)</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Liability/ (Asset)= (A-B)</b>	<b>293.31</b>	<b>312.69</b>

**Note 16: Current Financial Borrowings**

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
<b>Secured</b>		
- Working Capital Loans		
Axis Bank	245.39	187.06
- Balance with the Bank-Axis Bank	57.67	34.86
<b>Unsecured loan repayable on demand</b>		
- From Directors #	87.63	92.63
<b>Total</b>	<b>390.69</b>	<b>314.54</b>
Rate of interest on working capital loans-Axis Bank	9.70%	10.50%
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.		
# Unsecured Loan From Directors are repayable on demand.		

**Note 17: Current Financial Trade Payables**

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
- Total Outstanding Dues of micro and small enterprises	-	-
- Total Outstanding Dues of creditors other than micro and small enterprises - Raw Material	1,015.42	898.92
- Expenses	96.79	112.45
<b>Total</b>	<b>1,112.21</b>	<b>1,011.37</b>

\* The details of amounts outstanding to Micro, Small and Medium Enterprises as identified by the management, under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:

Sr. No.	Particulars	As at	As at
		31.03.2019	31.03.2018
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payment under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

\* This information has been determined to the extent such parties have been identified based on information available with the Company.

**Note 18: Other Current Financial Liabilities**

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Creditors for Capital Goods	14.60	33.67
<b>Total</b>	<b>14.60</b>	<b>33.67</b>

## Note 19: Other Current Liabilities

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Current Maturities of Long term Borrowings	360.32	228.73
Advance Received from Customers	20.90	5.95
Statutory dues	22.54	3.91
<b>Total</b>	<b>403.76</b>	<b>238.60</b>

## Note 20: Provisions

(Rs in Lacs)

Particulars	As at	As at
	31.03.2019	31.03.2018
Provision for Employee Benefits	26.87	30.27
Other Provision	9.82	2.64
Provision for Income tax	39.75	-
<b>Total</b>	<b>76.44</b>	<b>32.91</b>

## Note 21: Revenue From Operations

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>REVENUE FROM SALE OF PRODUCTS</b>		
Sale of Goods	6,357.71	6,098.74
Add: Excise duty	-	124.83
	6,357.71	6,223.58
<b>OTHER OPERATING INCOME</b>		
Job Work	4.80	32.21
Export Benefit Received	2.86	2.01
Export rate variation	4.81	0.73
	12.46	34.95
<b>Total</b>	<b>6,370.17</b>	<b>6,258.52</b>

## Note 22: Other Income

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>Profit on sale of Investments (Net):</b>		
Profit on sale of Property, Plant & Equipment (Net)	-	-
<b>Interest:</b>		
From Bank	5.60	4.54
From Others	-	3.89
<b>Other Non-Operating Income:</b>		
Fair value gain on financial instruments through profit or loss	4.37	2.13
<b>Total</b>	<b>9.97</b>	<b>10.56</b>

## Note 23: Cost of Materials Consumed

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2018	31.03.2017
<b>Raw Materials Consumed</b>		
Raw Material Consumed (Imported)	617.72	565.85
Raw Material Consumed (Indigenous)	3,970.97	3,700.62
	4,588.69	4,266.47
<b>Packing Material Consumed</b>	68.69	67.63
<b>Total Cost of Materials Consumed</b>	<b>4,657.37</b>	<b>4,334.10</b>

## Percentage of imported and indigenous raw materials consumption

Particulars	For the year ended	
	31.03.2019	31.03.2018
Imported	13.46%	13.26%
Indigenous	86.54%	86.74%

**Note 24: Manufacturing Expense**

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
Freight & Carriage	45.39	39.78
Power, Fuel & Water Charges	209.64	164.64
Consumable Stores & Dies Consumed	66.70	70.80
Excise duty (Net)	-	1.47
Repairs & Maintenance	26.28	23.66
Factory Expenses	6.83	6.75
Security Expenses	9.60	7.61
<b>Total</b>	<b>364.45</b>	<b>314.72</b>

**Note 25: Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>Opening Stock</b>		
Finished goods	19.57	29.31
Work-in-progress	170.72	155.40
<b>Sub- Total (A)</b>	<b>190.28</b>	<b>184.70</b>
<b>Less: Closing Stock</b>		
Finished goods	19.64	19.57
Work-in-progress	199.57	170.72
<b>Sub- Total (B)</b>	<b>219.20</b>	<b>190.28</b>
<b>Net (A-B)</b>	<b>(28.92)</b>	<b>(5.58)</b>

**Note 26: Employee Benefit expenses**

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
Salaries, Wages, Bonus, Benefits and Amenities	427.96	304.85
Director Remuneration	72.00	120.00
Contribution to PF & Other Funds	33.97	31.53
Gratuity	9.75	10.93
Employee Welfare Expenses	6.32	4.46
<b>Total</b>	<b>550.00</b>	<b>471.77</b>

**Note 27: Finance Costs**

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
Interest		
- On Bank Loans	105.20	94.63
- On Other Loans	12.03	9.94
Less: Interest Capitalised	(5.32)	(14.17)
<b>Total</b>	<b>111.91</b>	<b>90.39</b>

**Note 28: Depreciation and Amortization**

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
Property Plant & Equipment	232.19	196.61
Other Intangible Assets	0.29	-
<b>Total</b>	<b>232.48</b>	<b>196.61</b>

## Note 29: Other expenses

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>- Other Expense</b>		
Rent, Rates & Taxes	6.26	2.27
Postge & Telephone	7.94	5.52
Printing & Stationery	1.90	1.42
Office Expenses	1.71	1.60
Excise duty (Sales)	-	124.83
Insurance	24.90	22.49
Repairs and Maint. ( Other )	10.85	14.91
Travelling Expenses	27.36	17.48
Conveyance Exps.	13.11	10.07
Auditors' Remuneration	1.25	1.25
Legal Exps. & Professional Fees	26.48	37.25
Carriage Outward & Export exps	64.36	60.66
Advertisements	0.80	1.94
Commission on Sales	85.07	87.60
Computer Expenses	1.44	1.10
Entertainment Exps.	9.37	10.03
Professional Tax	0.02	0.03
Licence Fees / ECGC / Filing Fees	3.41	2.84
General Miscellaneous Expenses	9.38	8.37
Donations	0.33	2.25
Loss on Sale of Assets	2.54	(0.07)
Bank Commission & Charges	5.56	4.52
<b>Total</b>	<b>304.05</b>	<b>418.35</b>

## Note 30: COMMITMENTS AND CONTINGENT LIABILITIES

(Rs in Lacs)

Particulars	As at	
	31.03.2019	31.03.2018
<b>Contingent Liability</b>		
Income Tax liability being disputed (Against the amount paid as on 31.03.18 of Rs. 3.74 lacs, As on 31.03.17 of Rs. 3.74 Lacs )	24.94	24.94
Letter of Credit issued for purchase of Raw materials	35	43
Claims against the company, not acknowledged as debt (on account of pending law suits)	Not Determined	Not Determined

## Note 31: INCOME TAX EXPENSE

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>Current Tax</b>		
Current tax on profits for the year after MAT credit (entitlement)/utilisation	3.95	85.73
<b>Total current tax expense</b>	<b>3.95</b>	<b>85.73</b>
<b>Deferred Tax on OCI</b>		
Deferred Tax on OCI	<b>0.20</b>	<b>1.13</b>
<b>Deferred tax</b>		
Deferred tax adjustments	(19.58)	74.92
<b>Income tax expense</b>	<b>(15.44)</b>	<b>161.78</b>

## Note 32: PAYMENT TO AUDITORS

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
Statutory Audit Fees	0.90	0.90
Tax Audit Fees	0.35	0.35
<b>Total</b>	<b>1.25</b>	<b>1.25</b>

**Note 33: DEFINED BENEFIT PLAN****Defined contribution plans**

The Company is contributing toward Provident Fund of employees. Under the scheme the Company is contributing a specified percentage of the salary to the fund and is depositing to the Recognized provident fund.

**Defined benefit plans**

The Company is contributing towards Gratuity Fund of employees. Under the scheme the Company pays premium to the Life Insurance Corporation (LIC) of India based on their actuarial calculation. Further, the company has also actuarial calculation done from an independent actuary and any difference in the premium paid to LIC and the liability calculated is accordingly accounted.

**Defined Benefit Plan: Gratuity (Funded)**

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019	31.03.2018
<b>I - Expenses recognized in the Statement of Profit and Loss:</b>		
Current Service Cost	4.09	4.94
Interest Cost	5.66	5.20
<b>Expenses recognized during the year</b>	<b>9.75</b>	<b>10.14</b>
<b>II - Expenses recognized in other comprehensive income (OCI)</b>		
Actuarial (gain)/losses on obligation for the period	5.49	2.17
Return on Plan Assets, Excluding Interest Income	(6.20)	(5.44)
Change in Asset Ceiling		
<b>Net (Income)/Expenses For the Period Recognised in OCI</b>	<b>(0.71)</b>	<b>(3.27)</b>
<b>III - Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:</b>		
As at the beginning of the Year	68.44	61.72
Current service cost	4.09	4.94
Interest Cost	5.66	5.20
Benefit paid from the fund	(11.65)	(5.59)
Actuarial losses/(gains)	5.49	2.17
<b>As at the end of the year</b>	<b>72.03</b>	<b>68.44</b>
<b>IV - Movement in net liability recognized in Balance Sheet</b>		
As at the beginning of the Year - (liability)/Asset	(13.50)	(5.65)
Expenses recognized during the year in Statement of Profit and Loss	9.75	10.14
Expenses recognized during the year in OCI	(0.71)	(3.27)
Contributions made	(9.03)	(14.73)
<b>As at the end of the year</b>	<b>(13.49)</b>	<b>(13.50)</b>
<b>V - Changes in the fair value of plan assets representing reconciliation of</b>		
As at the beginning of the Year	81.94	67.37
Contributions made	9.03	14.73
Benefit paid from the fund	(11.65)	(5.59)
Return on Plan Assets, Excluding Interest Income	6.20	5.44
<b>As at the end of the year</b>	<b>85.52</b>	<b>81.94</b>
<b>VI - Net (Liability) recognized in the balance sheet</b>		
Present Value of Benefit Obligations at the end of the period	(72.03)	(68.44)
Fair Value of Plan Assets at the end of the period	85.52	81.94
<b>Net (Liability)/Asset recognized in the Balance Sheet</b>	<b>13.49</b>	<b>13.50</b>
<b>VII- Return on Plan Assets</b>		
Expected return on plan assets	6.20	5.44
Actuarial (loss)/gain	(5.49)	(2.17)
<b>Actuarial return on plan assets</b>	<b>0.71</b>	<b>3.27</b>
<b>VIII - The major categories of plan assets as a percentage of total plan</b>		
Insurer Managed Funds	100%	100%
<b>IX - Principal actuarial assumptions</b>		
Discount rate	7.50%	7.50%
Expected Rate of Return on Plan Assets	7.50%	7.50%
Annual increase in salary cost	7.00%	7.00%

Employee benefit plan typically expose the company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment Risk**

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is

**Interest Risk**

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity Risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Note 34: OPERATING SEGMENTS**

The Company is engaged in the business of manufacturing Flexible Packaging Material and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segment".

The Company has two geographical segments based upon location of its customers - within and outside India:

**a) Revenue**

(Rs in Lacs)

Particulars	For the year ended	
	31.03.2019 Ind AS	31.03.2018 Ind AS
Within India	6,190.06	6,057.31
Outside India (Direct Export)	167.65	166.27
<b>Total</b>	<b>6,357.71</b>	<b>6,223.58</b>

Segment revenue reported above represents revenue generated from external customers from sale of products.

**Note 35: RELATED PARTY DISCLOSURES**

Nature of Relationship	Name of Related Party
Key Management Personnel	Anil Patel
	Kunal Patel
	Kokilaben Patel
	Harshad Bhatt
	Daxesh Patel
	Darshak Sheth
	Manish Baxi
Relative of Key Management Personnel	Nilesh Patel
	Anupan Trading
	Vaishali Amin
	Stag Print pvt ltd
	Aman Enterprise
	OM Suntronics Converting Equipment
	Kalpvrux Converting Products Pvt Ltd
	Precise Automation & Control Pvt Ltd

(Rs in Lacs)

Name of the related party and nature of transactions and Outstanding balance	For the year ended	
	31.03.2019	31.03.2018
<b>Anil Patel</b>		
Remuneration	72.00	72.00
Unsecured loan paid	-	5.91
Interest on unsecured loan	2.14	1.97
Closing balance of unsecured loan	40.52	40.52
<b>Kunal Patel</b>		
Remuneration	54.00	48.00
Unsecured loan received	-	50.00
Unsecured loan paid	5.00	5.00
Closing balance of unsecured loan	40.00	45.00
<b>Vaishali Amin</b>		
Remuneration	6.75	6.00
<b>ANUPAM TRADING CO.</b>		
Rent Paid	1.50	1.50
<b>KALPVRUX CONVERTING PRODUCT P LTD</b>		
Purchase / Repairing	0.54	0.51
Purchase of Fixed Assets	16.82	40.12
Sales	1.57	-
Amount Paid	23.81	34.17
Closing balance	(1.57)	6.46
<b>PRECISE AUTOMATION AND CONTROL P LTD</b>		
Purchase / Repairing	0.13	0.22
Purchase of Fixed Assets	5.25	11.33
Amount Paid	5.38	11.55
<b>STAG PRINT P TLD</b>		
Purchase / Expenses	18.37	6.46
Amount Paid	12.07	9.57
Closing balance	15.21	21.51
<b>AMAN ENTEPRISES</b>		
Purchase / Repairing	517.32	467.05
Amount Paid	676.57	467.05
Closing balance	20.00	179.25
<b>OM SUNTRONIC CONVERTING EQUIPMENTS</b>		
Purchase / Repairing	0.39	1.36
Purchase of Fixed Assets	4.25	2.86
Amount Paid	7.36	2.18
Closing balance	-	2.72



**Note 36: FINANCIAL INSTRUMENTS****Note 36.1: CAPITAL MANAGEMENT**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Capital Structure of the Company consists both debt and equity.

		(Rs in Lacs)	
<b>GEARING RATIO</b>		<b>31.03.2019</b>	<b>31.03.2018</b>
Gross Debt (Long term and short term borrowings including current maturities)		1,377.96	1,391.17
Less: Cash and bank balances		73.26	94.12
Net Debt (A)		1,304.69	1,297.05
Total Equity (B)		1,971.43	1,766.49
<b>Net Debt to equity Ratio (A/B)</b>		<b>0.66</b>	<b>0.73</b>

**Note 36.2: FINANCIAL RISKS MANAGEMENT**

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk and Commodity Price Risk.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process:

- identify the major financial risks which may cause financial losses to the company
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system

The Company enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Audit Committee and the Board of Directors from time to time.

**(A) COMMODITY PRICE RISK**

The main raw materials which company procures are global commodities and their prices are to a great extent linked to With regard to the finished products, the Company has been operating in a global competitive environment which In order to combat this situation, the Company formulated manifold plans and strategies to develop new customers &

**(B) FOREIGN CURRENCY RISK**

The company is exposed to the foreign currency risk from transactions. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

**As on 31st March, 2019**

Currency	Liabilities		Assets		Net overall exposure on the currency
	Gross Exposure	Net liability exposure on the currency	Gross Exposure	Net asset exposure on the currency	
USD	6.55	6.55	0.16	0.16	(6.40)

**As on 31st March, 2018**

Currency	Liabilities		Assets		Net overall exposure on the currency
	Gross Exposure	Net liability exposure on the currency	Gross Exposure	Net asset exposure on the currency	
USD	8.20	8.20	0.16	0.16	(8.04)

**(C) INTEREST RATE RISK**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

**(D) CREDIT RISK**

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets. In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained for each and every customer.

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks or mutual funds with high credit ratings assigned by the trading agencies of international repute.

**(E) LIQUIDITY RISK**

Liquidity Risk arises when the company is unable to meet its short term financial obligations as and when they fall due.

The company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

Particulars	As at	Total	Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
<b>Borrowings</b>	31-03-19	1,377.96	751.00	626.95
	31-03-18	1,391.17	543.28	847.90
<b>Trade Payables</b>	31-03-19	1,112.21	1,112.21	-
	31-03-18	1,011.37	1,011.37	-
<b>Other Financial Liability</b>	31-03-19	14.60	14.60	-
	31-03-18	33.67	33.67	-

**Note 37: FAIR VALUE MEASUREMENTS**

The carrying value of instruments by categories are as follows:

(Rs in Lacs)

Particulars	As at	Amortised Cost	Financial Assets/Liabilities at fair value through Profit or Loss	Financial Assets/Liabilities at fair value through OCI	Total Carrying Value
<b>Assets</b>					
<b>Financial Assets</b>					
i) Investments	31-03-19	-	73.28	1.30	74.58
	31-03-18	-	68.91	1.30	70.21
iii) Other Financial Assets (Non-Current and Current)	31-03-19	55.77	-	-	55.77
	31-03-18	51.60	-	-	51.60
iv) Trade Receivables	31-03-19	952.24	-	-	952.24
	31-03-18	951.84	-	-	951.84
v) Cash and cash Equivalents	31-03-19	20.45	-	-	20.45
	31-03-18	11.65	-	-	11.65
vi) Other Bank balance	31-03-19	52.82	-	-	52.82
	31-03-18	82.47	-	-	82.47
<b>Total</b>	<b>31-03-19</b>	<b>1,081.27</b>	<b>73.28</b>	<b>1.30</b>	<b>1,155.85</b>
	<b>31-03-18</b>	<b>1,097.57</b>	<b>68.91</b>	<b>1.30</b>	<b>1,167.78</b>
<b>Liabilities</b>					
<b>Financial Liabilities</b>					
i) Borrowings (Non-Current and Current)	31-03-19	1,017.64	-	-	1,017.64
	31-03-18	1,162.44	-	-	1,162.44
iii) Trade Payables	31-03-19	1,112.21	-	-	1,112.21
	31-03-18	1,011.37	-	-	1,011.37
ivv) Other Financial Liabilities	31-03-19	403.76	-	-	403.76
	31-03-18	238.60	-	-	238.60
<b>Total</b>	<b>31-03-19</b>	<b>2,533.61</b>	<b>-</b>	<b>-</b>	<b>2,533.61</b>
	<b>31-03-18</b>	<b>2,412.40</b>	<b>-</b>	<b>-</b>	<b>2,412.40</b>

**Fair Value hierarchy disclosures:**

**Level 1** - Financial Instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETF's and mutual funds that have quoted prices. The fair value of all equity instruments (including bonds) which are traded in stock exchanges is valued using the closing prices as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2** - Financial Instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This is the case of unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The management has carried out analysis of financial assets and liabilities for all the reporting periods and has concluded that there are no financial assets and liabilities to be considered at fair value and disclosed under Level 1, Level 2 or Level 3 and all the financial assets and liabilities are at its carrying value which is equal to the fair value measured at amortised cost.

The carrying amounts of trade receivables, cash and cash equivalent, bank balances, current loans, current other financial assets, trade payables, current borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The carrying amounts of non current financial loans are considered to be the same as their fair value as it consist of security deposit with Government Organisations such as Electricity companies, which are interest bearing and are close to the fair value. Also, it consist of loans given to employees which are also interest bearing and are close the fair value.

The carrying amount of non current other financial assets are considered to be the same as their value as it consist of interest bearing fixed deposits having maturity of more than 12 months and are close to the fair value.

**Note 38 :**

The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

The balance sheet has been prepared in absolute numbers and then converted into millions to meet the presentation requirement as per Companies Act, accordingly the variance on account of decimals rounding-off may exist.

**Mitul Modi**

Partner  
Membership No. 154342

**Anil Patel**

Chairmand and Managing Director  
DIN: 00006904

**Kunal Patel**

Director  
DIN: 00106545

**Place: Vadodara**

Date: 30.05.2018

Place: Vanseti

Date: 30.05.2018

**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 31st ANNUAL GENERAL MEETING of the Shareholders of PURITY FLEXPACK LIMITED to be held on Thursday, the 29th August, 2019 at 11:00 A.M. at the Registered Office of the Company at : Vanseti, Post: Tajpura, Near Halol, Dist: Panchmahals, 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..... 2019



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** : Registered Office of the Company at : Vanseti, Post: Tajpura, Near Halol,  
 Dist: Panchmahals

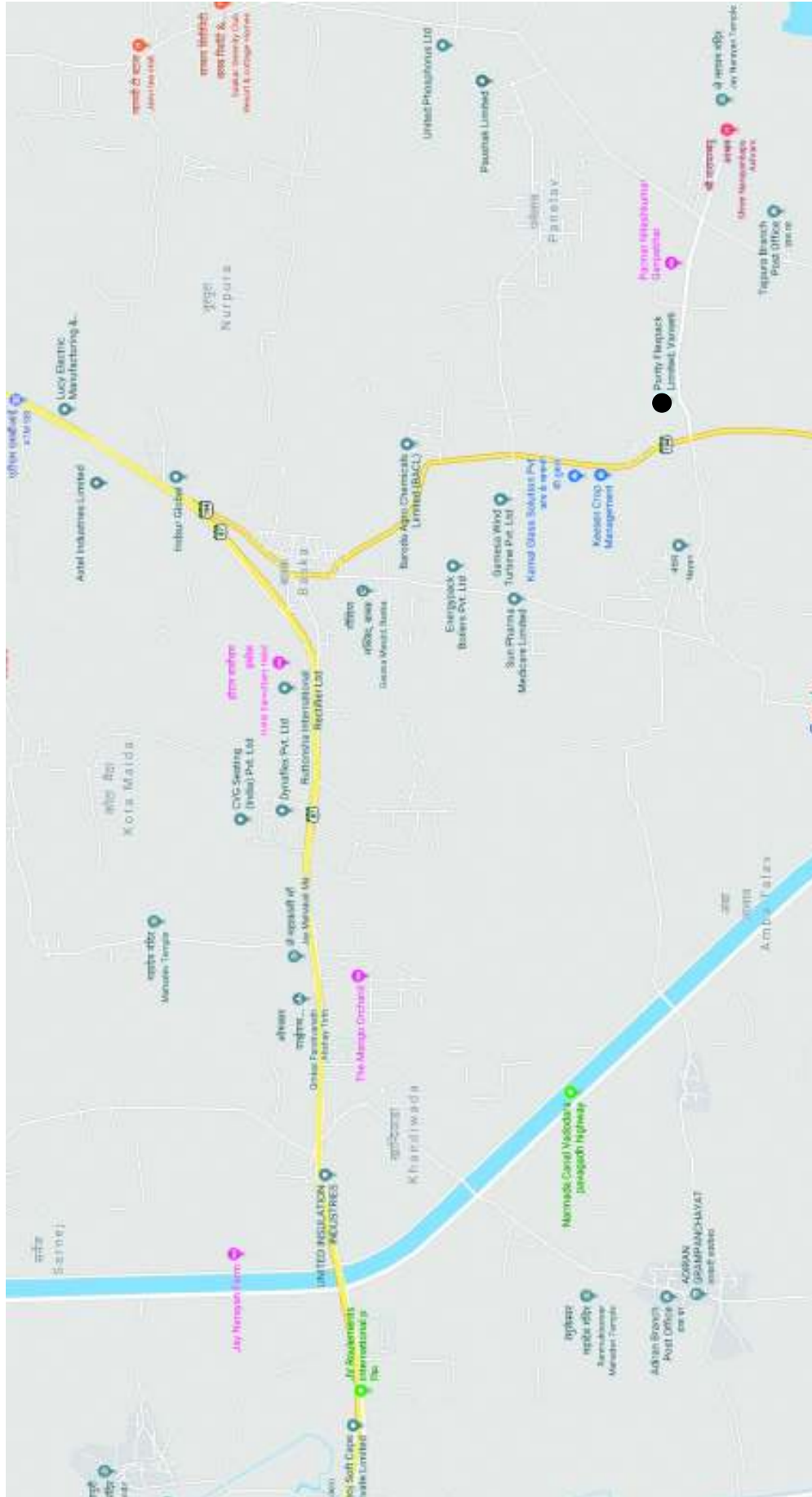
<b>BALLOT PAPER</b>		
<b>Sr. No</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

hereby exercise my vote at 31<sup>st</sup> AGM held on Thursday, the 29<sup>th</sup> August, 2019 at 11:00 A.M. at the Registered Office of the Company at : Vanseti, Post: Tajpura, Near Halol, Dist: Panchmahals in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

<b>Res. No.</b>	<b>Item</b>	<b>No. of shares held by me</b>	<b>I assent to the resolution</b>	<b>I dissent from the resolution</b>
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2019 together with the reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Nilesh N Patel, (holding DIN No. 01740293) who retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment.			
3.	To appoint a Director in place of Mr. Manish Baxi, (holding DIN No. 02011827) who retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment.			
4.	To ratify the appointment of Statutory Auditors of the Company.			
5.	To approve appointment of Mr. Kunal A. Patel (DIN 00106545) Whole-time Director as a Chief Financial Officer (CFO) of the Company.			



# Location Map



## Book Post

To,

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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](http://www.purityflexpack.com)