

25TH
ANNUAL REPORT
2012-2013



PURITY FLEXPACK LTD.

BOARD OF DIRECTORS

Mr. ANIL PATEL

Chairman & Managing Director

Mr. HARSHAD BHATT

Mr. DAXESH PATEL

Mrs. KOKILA PATEL

Mr. MANISH BAXI

Mr. KUNAL PATEL

Mr. DARSHAK SHETH

Mr. NILESH PATEL

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CORPORATE OFFICE

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

FACTORY & REGISTERED OFFICE

AT: VANSETI, POST: TAJPURA
NEAR HALOL,
DIST. PANCHMAHAL - 389 350

BANKERS

BANK OF BARODA
JETALPUR BRANCH,
VADODARA

AUDITORS

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

25TH Annual General Meeting

DAY : FRIDAY
: 27th SEPTEMBER 2013
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 25th ANNUAL GENERAL MEETING of the Shareholders of PURITY FLEXPACK LIMITED will be held on FRIDAY, the 27th September, 2013 at 11:00am at the Registered Office of the Company at : Vanseti, Post: Tajpura, Near Halol, Dist: Panchmahal, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at and the Audited Profit & Loss Account of the Company for the year ended 31st March, 2013 and the Directors' Report thereon.
2. To appoint a Director in place of Mr. Nilesh N. Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Manish A. Baxi who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors,

Anil Patel

VANSETI: 27.07.2013

Chairman & Managing Director

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.
- b. Proxies to be effective shall be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the Meeting.
- c. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 20th September, 2013 to Friday, the 27th September, 2013 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. Members can avail the nomination facility by submitting Form No.2B of the Companies (Central Governments) General Rules and Forms, 1956 with the Company. Blank forms will be available on request.

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

Name of the Director	Nilesh N Patel	Manish A. Baxi
Age	39 years	47 YEARS
Qualification	B.COM	B.COM. LL.B, FCA
Date of Appointment	12/05/2008	29/06/2001
Expertise	Veteran Businessman	He is a Chartered Accountant and proficiency in Accountancy matter.
Directorships as on 31 st March, 2013	None.	None
Chairman/Membership of the Committee as on 31 st March, 2013	Audit Committee Remuneration Committee Share Transfer Committee	None

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

BOARD OF DIRECTORS:

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

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

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

During the year ended 31st March 2013, the Board met 7 (Seven) times on the following dates: 07/05/2012, 27/07/2012, 30/07/2012, 16/08/2012, 05/11/2012, 30/11/2012 and 06/02/2013

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

Name of the Director	Attendance Particular		No. of other Directorships	No. of Other Committee Membership
	Board Meeting	Last AGM		
Mr. Anil B. Patel (Chairman & Managing Director)	7	Yes	--	3
Smt. Kokila Patel	7	No	--	--
Mr. Kunal Patel	7	Yes	--	--
Mr. Harshad S. Bhatt	7	Yes	1	1
Mr. Daxesh Patel	7	Yes	--	3
Mr. Darshak Sheth	7	No	2	--
Mr. Manish Baxi	7	No	1	--
Mr. Nilesh N. Patel	7	No	--	3

COMMITTEES TO THE BOARD:

PARTICULARS	AUDIT COMMITTEE	REMUNERATION COMMITTEE	SHARE TRANSFER COMMITTEE
Constituted on	29 th June,2001	20 th June,2002	29 th June,2001
Composition	Mr. Anil Patel Mr. Daxesh Patel Mr. Nilesh Patel (Chairman) (From 12.05.2008) The Committee is comprised of 3 Directors including 2 non-executive independent Directors, the Chairman being non-executive independent Director.	Mr. Anil Patel (Chairman) Mr. Daxesh Patel Mr. Nilesh Patel (From 12.05.2008) The Committee is comprised of 3 Directors including 2 non-executive independent Directors.	Mr. Anil Patel (Chairman) Mr. Harshad Bhatt Mr. Daxesh Patel Mr. Nilesh Patel (From 12.05.2008) The Committee is comprised of 4 Directors including 3 non-executive independent Director.
Meeting and Attendance	Four Meetings were held on 07/05/2012, 27/07/2012, 05/11/2012 and 06/02/2013 and all the members of the committee were present at the meetings.	One meeting was held during the years 2012-2013	All the members of the Committee were present at the following meetings. 23/04/2012, 02/07/2012, 21/08/2012, 10/10/2012, 26/11/2012 and 18/03/2013.
Terms of Reference	The terms of reference of this committee are in line with the norms specified under Section 292.A of the Companies Act,1956	The Committee has been constituted to recommend/ review the remuneration package for a Managing Director and the whole time Director based on performance and defined criteria. The remuneration policy of the Company is based on three tenets: pay for performance and potential and pay for growth.	The Committee has been constituted to approve transfer, transmission and transposition of shares, issue of duplicate share certificates and all other matters relating to shares. Mr. Jayesh Shah, Account Manager 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:

Financial Year	Date	Location of the Meeting	Time
2009-2010	18.09.2010	Reg. Office of the Company	11.00 am
2010-2011	24.09.2011	Reg. Office of the Company	11.00 am
2011-2012	27.09.2012	Reg. Office of the Company	11.00 am

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: Panchmahal-389350, Gujarat, India.
Annual General Meeting	Date : 27/09/2013 Time : At 11.00 am Venue : At the Registered Office.
Book Closure Date	day, the 20 th September,2013 to day, the 27 th September,2013 (both days inclusive)
Listing on Stock Exchanges	The Vadodara Stock-Exchange, Ltd, Vadodara. The Bombay Stock Exchange Limited, Mumbai
Share Transfer Agent	UNIVERSAL CAPITAL SECURITIES PVT. LTD 21, Mahakali Cave Road, Opp. Satya Saibaba Temple, Andheri (East), Mumbai. Phone No.: 022-28207203-05, 2825 7641, 2826 2920, 2836 6620

MARKET PRICE DATA:

During the year under report there were no transactions for the transfer of shares routed through the Stock Exchanges and therefore quotation are not available.

SHARE TRANSFER SYSTEM:

Share transfers in physical and demat form are registered and returned will within the stipulated period of 30days from the receipt if the documents are approve in all respects.

SHAREHOLDING PATTERN AS ON 31ST MARCH 2013:

Category	No. of Shares Held	% to paid-up Capital
Non-Resident Individuals	0.00	0.00 %
Bodies Corporate	5224	0.49 %
Mutual Funds/Nationalised Banks	540	0.05 %
Resident Individuals	560049	52.17 %
Directors and Relatives	507587	47.29 %
TOTAL	1073400	100.00%

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013:

Share Distribution	Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Upto 5000	19682	99.47 %	506561	47.19 %
5001-10000	53	0.27 %	37877	3.53 %
10001-20000	22	0.11 %	32980	3.07 %
20001-30000	5	0.03 %	11677	1.09 %
30001-40000	9	0.05 %	30738	2.86 %
40001-50000	3	0.02 %	14326	1.33 %
50001-100000	5	0.03 %	37470	3.49 %
100001 & above	8	0.04 %	401771	37.43 %
TOTAL:	19787	100.00%	1073400	100.00 %

INVESTORS CORRESPONDENCE:

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

**Jayesh J. Shah, Compliance Officer, PURITY FLEXPACK LTD.,
at : Vanseti , PO Tajpura , Baska Tajpura Road , Baska Halol
Phone: 91 9879508744, E-mail: account@purityflexpack.com**

DIRECTORS' REPORT & MANAGEMENT DISCUSSIONS AND ANALYSIS

Dear Partners in Growth,

It gives me immense pleasure in presenting the 25th Annual Report together with the Audited Accounts for the year ended 31st March 2013.

1. FINANCIAL HIGHLIGHTS:

	(Rs. In Lacs)	
	2012-2013	2011-2012
Total Gross Sales	4624.70	3716.30
Gross Profit before interest and Depreciation		
	369.80	349.65
Interest	96.82	95.79
Profit before Depreciation	272.98	253.87
Depreciation	70.54	59.77
Prior period Adjustment	0.00	1.41
Tax / Deferred Tax	84.96	99.47
Net Profit for the year	117.48	93.21
Adding thereto/ deducting there from Balance brought forward from the previous year	279.88	186.68
Profit / (Loss) carried to Balance Sheet	397.36	279.88

Board Directors consider the working results satisfactory.

2. DIVIDEND:

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

3. YEAR IN RETROSPECT & FUTURE OUTLOOK:

FY 2012 - 2013 has been a momentous year for the Company, as it was our 20th year after we took over from the old management in 1994 and Purity Flexpack Ltd's Silver Jubilee. I am pleased to report that this is the fourth year in succession when the company has been making profits year after year and it is hoped that this trend will continue in future years.

Net sales for the year ending 31st March 2013 amounted to Rs. 4195.68 Lacs as against Rs. 3459.67 Lacs of the previous year, recording a rise of 21%. Likewise net profit also amounted to Rs. 117.48 Lacs as against Rs. 93.20 Lacs in previous year, which is higher by about 26. %.

Due to the uncertain global economic scenarios and declining of India's GDP Growth, the bottom line has been affected in spite of the increase in the turnover. During the year, we increased upon our local strength as well as achieving new business. In addition, we also conducted several R & D activities by using different cost effective high barrier structures for different products, which gave our customers the confidence and trust in working with us. In spite of the decline in export sales, we have limited ourselves presently to some of the countries such as: UK, Australia, Fiji and newly added African countries and we hope to bring a boost in our export sales, in forthcoming years.

4. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

The annual accounts of the Company for the financial year ended 31st March 2013, have been prepared on a 'going concern' basis and in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;

Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that were reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

6. PARTICULARS OF EMPLOYEES:

None of the employees of the Company are in receipt of the remuneration in excess of the limits prescribed in Section 217(2A) of the Companies Act, 1956.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Particulars regarding the conservation of energy, technology absorption, Foreign Exchange earnings & outgo as envisaged by Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules 1988 are annexed hereto.

8. CORPORATE GOVERNANCE:

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

9. 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.

10. INSURANCE:

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

11. INDUSTRIAL RELATIONS:

Industrial Relations remained cordial at the factory throughout the year.

12. DIRECTORATE:

Mr. Nilesh Patel & Mr. Manish Bakshi, retire by rotation and being eligible offer themselves for re-appointment. A brief resume and functional expertise of the above Directors as required under clause 49 of the Listing agreement is given at the end of the notice convening the Annual General Meeting.

13. 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 27.07.2013 stating therein the particulars specified under the said Clause.

14. COMPLIANCE CERTIFICATE:

As required by the provisions of Section 383A of the Companies Act, 1956, the Company has obtained a Compliance Certificate dated 27.07.2013 from M/s. D. R. Desai & Co., Company Secretary in Whole-time Practice, Vadodara, to the effect that all the provisions of the said Act have been complied with. The same is attached herewith as required by Section 217 of the Companies Act, 1956.

15. AUDITORS:

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

16. ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

Anil Patel

VANSETI: 27.07. 2013

Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

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

(a) Purchased:	2012-13	2011-12
Units (KWH)	999540	1035656
Total Amount (Rs.)	6329966	6169281
Rate per Unit (Rs.)	6.33	5.96
(b) Own Generation:		
Units (KWH)		
Total Amount (Rs.)		
Rate per Unit (Rs.)		
(c)Furnace Oil/LSHS/LDO/HSQ		
Qty. (K.Ltr)	137837	114603
Total Amount (Rs.)	4465985	3470308
Average Rate (Rs.)	32.40	30.28

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

(i) Foreign Exchange Earning	93.40	308.86
(ii) Foreign Exchange Outgo	5.49	0.73
Foreign Traveling and Purchase	77.53	207.40

Shah Mehta & Bakshi
Chartered Accountant

COMPLIANCE CERTIFICATE

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

To the Members Of
Purity Flexpack Ltd.

We have examined the compliance of conditions of Corporate Governance by PURITY FLEXPACK LTD., for the year ended March 31st 2013. As stipulated in Clause 49 of Listing Agreement of the Said Company with Stock Exchanges.

The Compliance of Condition of Corporate Governance is the Responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company is complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For Shah, Mehta & Bakshi

Chartered Accountants
Vihang Bakshi
(Partner)

Vadodara: 27.07. 2013



D. R. DESAI & CO.
COMPANY SECRETARIES

COMPLIANCE CERTIFICATE

To,
The Members
Purity Flexpack Limited
CIN. No.L25200GJ1988PLC010514

We have examined the registers, records, books and papers of Purity Flexpack Limited [the Company] as required to be maintained under the Companies Act, 1956 [the Act] and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comments is not required.
4. The Board of Directors duly met 7 (Seven) times on 07/05/2012, 27/07/2012, 30/07/2012, 16/08/2012, 05/11/2012, 30/11/2012 and 06/02/2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purposes.
5. The Company closed its Register of Members from Thursday, the 20th September, 2012 to Thursday, the 27th September, 2012 (Both Days Inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31/03/2012 was held on 27/09/2012 after giving due notice to the members of the Company and the resolution passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued duplicate share certificate during the financial year.
13. The Company :
 - i. has delivered all the share certificates on lodgments thereof for transfer in accordance with the provisions of the Act, and there was no allotment/transmission of any shares during the financial year.
 - ii. has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii. was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. was not having any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years and hence no amount was required to be transferred to Investor Education and Protection Fund.
 - v. has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of directors retires by rotation were duly made. There were appointment of additional directors and there were no appointment of alternate directors and directors to fill casual vacancies during the financial year.
15. The appointment of Managing Director & Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in their firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and others during the financial year ending 31st March, 2013 is within the borrowing limits of the Company and that necessary resolutions as per Section 293 (1) (d) of the Act have been passed in duly convened General Meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the registers kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employer's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

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

Place: Vadodara
Date: 27.07.2013

[Devesh R. Desai]
PROPRIETOR
ACS # 11332 CP # 7484

ANNEXURE A**Registers as maintained by the Company:**

1. Register of Charges u/s 143
2. Register of Members u/s 150
3. Register & Returns u/s 163
4. Minutes Books of Board Meeting and Shareholders Meeting u/s 193
5. Books of Accounts u/s 209
6. Register of Particulars of Contracts in which directors are interested u/s 301
7. Register of Directors, Managing Directors, Manager and Secretary u/s 303
8. Register of Director's Shareholding u/s 307
9. Register of Director's Attendance
10. Register of Shareholder's Attendance
11. Register of Share Transfer.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2013

1. Accounts in Form No.23AC XBRL- Balance Sheet as at 31/03/2012.
2. Annual Accounts in Form No. 23ACA XBRL- Profit & Loss A/c for the year ended 31/03/2012.
3. Annual Return in Form 20B U/S 159 in respect of A.G.M. held on 27/09/2012 for the financial year ended 31/03/2012.
4. Form No.66 - Compliance Certificate of D R Desai & Co., Company Secretaries for the financial year ended 31/03/2012.
5. Form No. 23 u/s 192 notifying resolution for re-appointment of Managing Director and Whole-time Director.
6. Form 25C u/s 269 and Schedule III for re-appointment of Managing Director and Whole-time Director.
7. Form 32 – Appointment and Resignation of Director

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

Place: Vadodara
Date: 27.07.2013

[Devesh R. Desai]
PROPRIETOR
ACS # 11332 CP # 7484

Shah Mehta & Bakshi
Chartered Accountant

Independent Auditors Report

To the Members of Purity Flexpack Limited Report on the Financial Statements

We have audited the accompanying financial statements of Purity Flexpack Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Shah Mehta & Bakshi
Chartered Accountants
FRN: 103824W

(Vihang Bakshi)
Partner

Vadodara, Dated 27th July 2013.

M No. 039054

Annexure to Independent Auditors Report

As required by the Order issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we further report that:

- I. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The company' has not physically verified the entire fixed assets during the year however procedure for physically verification is proper in relation to size and nature of business. No substantial parts of fixed assets have been disposed of during the year, which will affect its status as going concern.
- II. The Management at reasonable intervals has physically verified the inventory during the year. In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material.
 - (a) The company has not granted loan to parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The Company has taken unsecured loan from parties covered in the register under section 301 of the Companies Act, 1956, of the value 22.37 lacs (Maxi 24.37 lacs).
 - (c) In our Opinion, the rate of interest and other terms & conditions of loans given are not prima facie prejudicial to the interest of company. The company is regular in repaying the principal amount as stipulated.
- III. In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods & services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system.
- IV. According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered. In our opinion and according to information and explanations given to us, the transactions made in pursuance contract and arrangement entered in registered maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any parties during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- V. In our opinion and according to information and explanations given to us, the company has not accepted deposits from the public with in the meaning of section 58A and 58AA of the Companies Act, 1956.
- VI. According to information and explanations given to us, the company has sufficient managerial control on all the activities of the company, including all the financial transactions of the company, and therefore has not appointed any internal auditor. However, it requires further strengthening due to increase in the activities of the company in recent past.
- VII. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- VIII.
 - (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Excise Duty, Custom Duty, Cess and any other statutory dues. However, no statutory dues were payable beyond the due date under respective statutes as at the balance sheet date.
 - (b) According to information and explanations given to us, no undisputed amount payable in respect of Income Tax and other statutory dues in arrears as at 31.03.2013 for the period of more than six months from the date they become payable.
- IX. In our opinion, the company does not have accumulated losses more than fifty percent of its net worth. The company has not incurred cash losses in current and previous financial year covered under report.
- X. According to information and explanations given to us, the company has not made any default in repayment of dues in respect of loans from a financial institution or bank or debenture holders.
- XI. According to information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provision of clause 4(xii) of the Order is not applicable to company.

- XII. In our opinion, the company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.
- XIII. In our opinion and according to information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order is not applicable to the company.
- XIV. As per information and explanations given to us and as the records examined by us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4 (xv) of the Order is not applicable to the company.
- XV. According to information and explanations given to us, the company has applied the term loans for the purpose for which same were taken. Therefore, the provision of clause 4(xvi) of the Order is not applicable to the company.
- XVI. According to information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds have been raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term asset except the working capital term loan.
- XVII. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Therefore, the provisions of clause 4 (xviii) of the Order is not applicable to the company.
- XVIII. The company has not issued any debentures. Therefore, the provisions of clause 4 (xix) of the Order is not applicable to the company.
- XIX. The company has not raised money by public issue during the year covered under audit. Therefore, the provisions of clause 4 (xx) of the Order is not applicable to the company.
- XX. As per information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under report.

For Shah Mehta & Bakshi
Chartered Accountants
FRN: 103824W

(Vihang Bakshi)
Partner
M No. 039054

Vadodara, Dated 27th July 2013.

Balance Sheet as at 31-March-2013

Particulars	Note	As at 31-03-13	As at 31-03-12
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	10,734,000	10,734,000
(b) Reserves and Surplus	2	44,606,699	32,858,941
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	8,800,236	20,074,266
(b) Deferred tax liabilities (Net)	4	12,191,064	7,814,083
(3) Current Liabilities			
(a) Short-term borrowings	5	45,054,275	53,294,152
(b) Trade payables	6	76,064,821	71,847,713
(c) Other current liabilities	7	9,031,720	6,427,151
(d) Short-term provisions	8	854,382	1,155,090
TOTAL		207,337,197	204,205,396
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(1) Tangible assets	9	95,134,411	98,234,053
(b) Non-current investments	10	130,000	130,000
(2) Current assets			
(a) Inventories	11	61,528,938	54,325,040
(b) Trade receivables	12	30,368,530	33,548,459
(c) Cash and cash equivalents	13	9,724,046	9,420,628
(d) Short-term loans and advances	14	2,944,100	3,086,352
(e) Other current assets	15	7,507,172	5,460,864
TOTAL		207,337,197	204,205,396
Significant Accounting Policies			
Notes on Financial Statement	1 to 33		

As per Annexed Report of even date

For Shah Mehta & Bakshi**Chartered Accountants**

FRN - 103824W

For & on behalf of the Board**Anil Patel**

(Chairman & Managing Director)

Vihang K Bakshi

(Partner)

M No - 039054

Vadodara, Dated - 27 th July 2013

Kunal Patel

(Director)

Vanseti, 27.07.2013

Statement of Profit and Loss for the year ended 31-March-2013

	Note	Year ended on 31-03-13	Year ended on 31-03-12
I Revenue from operations	16	404,507,358	334,937,344
II Other Income	17	716,235	1,240,375
III. Total Revenue (I +II)		405,223,593	336,177,719
IV Expenses:			
Cost of materials consumed	18	321,678,256	254,613,345
Manufacturing Expenses	19	20,246,612	25,025,067
Changes in inventories of FG,WIP, Stock-in-Trade	20	-3,233,919	-3,395,221
Employee benefit expense	21	13,521,848	11,415,825
Financial costs	22	9,682,373	9,578,947
Depreciation and amortization expense	9	7,053,968	5,976,899
Other expenses	23	16,031,632	13,553,715
Total Expenses		384,980,770	316,768,577
V Profit before tax '(III-IV)		20,242,823	19,409,142
VI Prior Period Items		0	141,225
VII Profit before Tax (V- VI)		20,242,823	19,267,917
VIII Tax expense:			
(1) Current tax		4,118,084	2,133,440
(2) Deferred tax		4,376,981	7,814,083
IX Profit for the period after Tax (VII - VIII)		11,747,758	9,320,394
VIII Earning per equity share of face value of Rs.10 each			
Basic and Diluted (in Rs.)		10.94	8.68
Significant Accounting Policies			
Notes on Financial Statement	1 to 33		

As per Annexed Report of even date

For Shah Mehta & Bakshi

Chartered Accountants

FRN - 103824W

For & on behalf of the Board

Anil Patel

(Chairman & Managing Director)

Vihang K Bakshi

(Partner)

M No - 039054

Vadodara, Dated - 27 th July 2013

Kunal Patel

(Director)

Vanseti, 27.07.2013

Significant Accounting Policies

A Basis Of Accounting

The financial statements have been prepared under the historical cost convention on accrual basis of accounting and in accordance with applicable Accounting Standards and relevant presentational requirement of the Companies Act, 1956.

B Revenue Recognition

a) Sales

Sales are recognized on shipment or dispatch to customer and are inclusive of income from job work net of excise duty, VAT, trade discounts and returns.

b) Other Income

Other Income is recognized on accrual basis except when realisation of such income is uncertain.

Claims lodged with the Insurance Company in respect of risks covered are accounted for as and when admitted by the Insurance Company.

C Fixed Assets

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

Depreciation on fixed assets has been provided on Straight Line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to the Fixed Assets are provided on pro-rata basis from the succeeding month in which put to use.

D Intangible Assets

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

E Investments

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

F Inventories

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

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

G Borrowing Costs

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

H Retiring Benefits

a) Provident Fund

Contribution to Provident Fund is made to Government / Recognized provident fund as required by the statutes / rules.

b) Gratuity

Liability with regard to gratuity has been determined by actuarial valuation as at the balance sheet date. The company contributes to the group gratuity plan of LIC of India.

c) Leave Encashment

The benefit of encashment of the leave is given to the employees of the company during the year .

I Foreign Exchange Transaction

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

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

J Contingent Liabilities

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

K Taxes On Income

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

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

L Prior Period Adjustments

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

M Impairment Of Assets

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

N Cash and Cash Equivalents

Cash and cash equivalents in the Balance sheet comprise cash at bank and in hand and margin money towards letter of credit and bank guarantee.

Notes on Financial Statements for the Year ended 31st March 2013

1 Share Capital

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

Issued, Subscribed and Paid up Capital

10,73,400 Equity Shares of Rs. 10/- each fully paid up

Total

As at 31-03-13 (Rs)	As at 31-03-12 (Rs)
60,000,000	60,000,000
10,734,000	10,734,000
10,734,000	10,734,000
1,073,400	1,073,400
0	0
1,073,400	1,073,400

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

- b) Terms / Rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31-03-13		As at 31-03-12	
	No	% holding	No	% holding
1) Anil Patel	152,918	14.25%	152,918	14.25%
2) Kokila Patel	177,292	16.52%	173,129	16.13%
3) Vaishali Amin	111,116	10.35%	111,116	10.35%

2 Reserves And Surplus

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

Total

As at 31-03-13 (Rs)	As at 31-03-12 (Rs)
2,700,000	2,700,000
2,145,067	2,145,067
4,845,067	4,845,067
26,167	26,167
0	0
26,167	26,167
27,987,707	18,667,313
11,747,758	9,320,394
39,735,465	27,987,707
44,606,699	32,858,941

	Non-Current Portion		Current Maturities	
	As at 31-03-13	As at 31-03-12	As at 31-03-13	As at 31-03-12
3 Term Loans				
Indian rupee loan from banks				
banks (secured)				
HDFC Bank				
Term Loan I	294,391	373,919	79,528	70,572
Term Loan II	660,641	1,258,663	598,022	541,337
Term Loan III	163,782	310,562	146,781	131,546
Term Loan IV	0	412,957	412,957	417,383
Axis Bank				
Term Loan I	101,057	241,789	140,732	128,662
Term Loan II	0	0	0	54,448
Foreign currency loan from banks (secured)				
Term Loan from Bank of Baroda				
Term Loan PCFC-IV	6,085,432	12,092,990	3,504,000	3,504,000
From Bank (Unsecured)				
Kotak Mahindra Bank Ltd	1,494,933	3,914,935	1,709,227	722,130
From Financial Institutions (Unsecured)				
TATA Capital Ltd	0	1,468,451	1,149,449	699,028
	8,800,236	20,074,266	7,740,696	6,269,106
Secured borrowings	7,305,303	14,690,880	4,882,020	4,847,948
Unsecured borrowings	1,494,933	5,383,386	2,858,676	1,421,158
Amount disclosed under the head "other current liabilities" (note 7)			(7,740,696)	(6,269,106)
Net Amount	8,800,236	20,074,266	0	0

- 3.1
- Term Loan - HDFC Term Loan I Rs. 3.74 lacs (PY Rs.4.44) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of Rs. 0.10 lacs along with Interest @ 12% P.a.
 - Term Loan - HDFC Term Loan II Rs. 12.59 lacs (PY Rs. 18.00l) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of Rs. 0.58 lacs along with Interest @ 10% P.a.
 - Term Loan - HDFC Term Loan III Rs. 3.11 lacs (PY Rs. 4.42 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of Rs. 0.14 lacs along with Interest @ 11.01% P.a.
 - Term Loan - HDFC Term Loan IV Rs. 4.13 lacs (PY Rs.8.30 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of Rs. 0.39 lacs along with Interest @ 8.00% P.a.
 - Term Loan - Axis Bank Term Loan I Rs. 2.42 lacs (PY Rs. 3.71 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of Rs. 0.13 lacs along with Interest @ 9.00% P.a.
 - Term Loan - Axis Bank Term Loan II Rs. 0.00 lacs (PY Rs. 0.54 lacs) secured by way of Hypothecation of Car of the Company. The Loan is repayable in equal monthly instalments each of Rs. 0.14 lacs along with Interest @ 10.31% P.a.
 - Term Loan IV- Bank of Baroda Rs. 95.89 (PY Rs. 155.97 lacs) secured by way of Hypothecation of Plant & Machinery of the of the Company. Repayable in 60 monthly instalments of \$ 3,371, interest rate @ 4.25% above Base Rate.
 - Term Loan - Kotak Mahindra Bank Ltd Rs. 32.04 lacs (PY Rs. 46.37 lacs) are clean bussiness loan secured by way of personal guarantee of the directors of the company. The Loan is repayable in equal monthly instalments each of Rs. 1.79 lacs along with Interest @ 11.01% P.a.
 - Term Loan - Tata Capital Ltd Rs. 11.49 lacs (PY Rs. 21.67 lacs) are clean bussiness loan secured by way of personal guarantee of the directors of the company. The Loan is repayable in equal monthly instalments each of Rs. 1.06 lacs along with Interest @ 11.01% P.a.
 - All the facilities (funded & Non-funded) are further guaranteed by the Directors of the Company.

4 Deferred Tax Liabilities

a) Deferred Tax Liability		
i) Related to fixed Assets	12,191,064	11,436,256
Total	12,191,064	11,436,256
b) Deferred Tax Assets		
i) Related to Unabsorbed Depreciation	0	3,622,172
Total	0	3,622,172
Net Deferred Tax Liability	12,191,064	7,814,084

5 Short Term Liabilities

1) Secured Loans from Bank of Baroda		
Cash Credit	41,519,375	45,072,822
Bill Discounting	0	4,486,430
Total	41,519,375	49,559,252
2) Unsecured Loans		
From Directors		
A B Patel	1,526,500	1,726,500
H S Bhatt	710,600	710,600
Total	2,237,100	2,437,100
From Others	1,297,800	1,297,800
Total	45,054,275	53,294,152

a) Working capital loans are secured by Hypothecation of entire raw materials, stock-in-process, stores & spares, packing materials, finished goods and Book-debts of the Company, both present & future. Interest is charged @ 4.25% above Base Rate

6 Trade Payables

1) For Raw Materials	68,555,390	60,703,445
2) For Expenses	1,531,052	2,548,148
3) For Capital Expenditure	1,207,621	3,346,023
4) For Others	4,770,758	5,250,097
Total	76,064,821	71,847,713

7 Other Current Liabilities

1) Current Maturities of the Term Loan (Note 3)	7,740,696	6,269,106
2) Sales Tax	194,786	6,340
3) Income Tax Payable	945,769	0
4) Employees Contribution to PF	69,676	58,745
5) TDS payable	80,793	92,960
Total	9,031,720	6,427,151

8 Short Term Provisions

1) Directors Remuneration Payable	17,363	84,633
2) Other Provisions	837,019	1,070,457
Total	854,382	1,155,090

9 Fixed Assets :

Sr. No	Name of Asset	Rate of Dep %	GROSS BLOCK			DEPRECIATION			NET BLOCK			
			As on 01-Apr-12	Addition	Deduction	Total as on 01-Apr-13	Up to 01-Apr-12	Additional Depreciation	For the Year	Deduction	Total as on 01-Apr-13	As on 01-Apr-13
1	Land (Freehold)	0%	431,964		0	431,964	0	0	0	0	431,964	431,964
2	Factory Building	3.34%	22,304,182	1,158,684	0	23,462,866	7,465,294	0	745,066	8,210,360	15,252,506	14,838,888
3	Administrative Bldg.	1.63%	3,113,647	0	0	3,113,647	552,902	0	50,752	603,654	2,509,993	2,560,746
4	Plant & Machinery	4.75%	108,908,233	2,760,043	0	111,668,276	36,532,853	0	5,219,691	41,752,544	69,915,732	72,375,380
5	Electrical Installation	4.75%	3,739,248	0	0	3,739,248	2,974,901	0	177,614	3,152,515	586,733	764,347
6	Office Equipments	4.75%	701,116	0	0	701,116	424,570	0	33,303	457,873	243,243	276,546
7	Fire Fighting Equip.	4.75%	21,858	0	0	21,858	20,947	0	911	21,858	0	911
8	Furniture & Fixtures	6.23%	1,857,027	0	0	1,857,027	1,622,738	0	115,693	1,738,431	118,596	234,289
9	Vehicles	9.05%	6,965,239	0	0	6,965,239	406,509	0	630,354	1,036,863	5,928,376	6,558,730
11	Laboratory Equipment	4.75%	171,852	0	0	171,852	48,100	0	8,163	56,263	115,589	123,752
12	Computer	16.21%	655,253	35,600	0	690,853	586,753	0	72,421	659,174	31,679	68,500
	Total		148,869,619	3,954,327	0	152,823,945	50,635,567	0	7,053,968	57,689,535	95,134,411	98,234,053
	<i>Previous Year</i>		<i>121,605,448</i>	<i>28,831,934</i>	<i>1,567,762</i>	<i>148,869,619</i>	<i>45,583,031</i>	<i>0</i>	<i>5,976,899</i>	<i>50,635,567</i>	<i>98,234,053</i>	<i>76,022,417</i>

10 Non Current Investments

Non-trade investment (unquoted at cost)

Investment in Equity Instruments (Fully Paid)

1300 shares of Royal Inks & Resins Ltd of Rs. 100/- each

130,000

130,000

Total

130,000

130,000

11 Inventories

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

1) Raw materials

27,637,768

23,338,478

2) Work-in-progress

14,468,332

11,731,203

3) Finished goods

5,985,450

5,488,660

4) Stores & Spares , Cylinders & Others

11,739,438

12,098,313

5) Packing Materials

1,697,950

1,668,386

Total

61,528,938

54,325,040

12 Trade Receivables(Unsecured and Considered Good)

Over six months

5,354,654

2,287,159

Others

25,013,876

31,261,300

Total

30,368,530

33,548,459

13 Cash & Bank Balances

Cash on hand

879,384

457,214

Balance with Schedule Banks

437,217

655,472

Fixed Deposit with Bank of Baroda

8,407,445

8,307,942

Total

9,724,046

9,420,628

14 Short Term Loans and Advances(Unsecured and Considered Good)

Advance Tax (Including TDS) (net)

2,944,100

3,086,352

Total

2,944,100

3,086,352

15 Other Current Assets

1) Other Current Assets

1,662,955

1,509,076

2) Other Receivables

5,844,217

3,951,788

Total

7,507,172

5,460,864

16 Revenue from Operations

Sale of Products

461,166,668

369,778,521

Job Work

1,089,613

515,368

Less: Excise Duty Recovered

-42,901,886

-25,662,802

Less: Sales Tax Recovered

-15,060,983

-11,029,675

Export benefit received

213,946

1,335,932

Total

404,507,358

334,937,344

16.1 Sale of Products (Net)

Sales - Domestic

393,864,707

302,199,093

Sales - Exports

9,339,092

30,886,951

Total

403,203,799

333,086,044

17 Other Income

Service Tax Collected	0	323,882
Discount	238,342	349,401
Bank Interest	477,893	570,141
Profit/(Loss) on sale of fixed assets	0	-3,049
Total	716,235	1,240,375

18 Cost of Materials Consumed

Imported	9,607,168	19,892,933
Indigenous	312,071,088	234,720,412
Total	321,678,256	254,613,345

18.1 Consumption (in %)

Imported	2.99%	7.81%
Indigenous	97.01%	92.19%
Total	100.00%	100.00%

18.2 Particulars of materials consumed

Granuals	57,878,787	55,616,366
Paper	102,176,138	68,044,311
Ink	37,361,949	30,476,121
Others	124,261,382	100,476,547
Total	321,678,256	254,613,345

19 Manufacturing Expenses

Freight & Carriage (Inward)	2,905,533	2,241,430
Power, Fuel & Water Charges	10,928,499	9,752,755
Packing Materials (Consumed)	488,207	907,404
Consumable Stores & Dies	3,961,050	9,384,277
Excise duty (Net)	289,840	1,557,540
Repairs & Maintenance (Mach.)	781,281	406,095
Factory Expenses	338,070	309,684
Security Expenses	551,604	451,467
Testing Exps	2,528	14,415
Total	20,246,612	25,025,067

20 Changes in Inventories of FG, WIP, Stock in Trade

Closing Stock		
Finished Goods	5,985,450	5,488,660
Semi - Finished Goods	14,468,332	11,731,203
Less : Opening Stock		
Finished Goods	5,488,660	2,848,968
Semi - Finished Goods	11,731,203	10,975,674
Total	3,233,919	3,395,221

21 Employee Benefit Expenses

Salaries & Wages	12,139,212	9,944,053
Contribution to Provident & Other Funds		
Provident Fund	1,055,602	827,990
Gratuity	175,000	418,190
Staff Welfare Expenses	152,034	225,592
Total	13,521,848	11,415,825

22 Financial Costs

Interest		
On Bank Loan	7,705,041	7,158,605
On Other Loans	1,748,229	1,461,465
Bank Commission & Charges	229,103	958,877
Total	9,682,373	9,578,947

23 Other Expenses

Administrative & Other Selling Expenses		
Rent, Rates & Taxes	233,434	480,934
Postage & Telephone	330,986	324,192
Printing & Stationery	103,852	102,553
Office Expenses	134,480	158,867
Insurance	453,264	336,364
Repairs and Maint. (Other)	1,096,221	271,505
Directors' Remuneration	4,500,000	3,525,000
Travelling Expenses	767,870	514,492
Conveyance Exps.	655,395	493,561
Auditors' Remuneration	73,034	65,731
Legal Exps. & Professional Fees	774,956	389,089
Carriage Outward & Export exps	3,914,314	3,915,981
Advertisements	83,321	58,701
Commission on Sales	2,117,288	2,166,227
Computer Expenses	77,629	114,235
Entertainment Exps.	80,081	42,740
Professional Tax	2,500	2,500
Licence Fees / ECGC / Filing Fees	88,792	171,969
General Miscellaneous Expenses	519,215	397,074
Donations	25,000	22,000
Total	16,031,632	13,553,715

24 Related Party Disclosure

Disclosures as required by Accounting Standard 18 are given below:

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

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

Rs in Lacs

Particulars	Key Management Personnel	Relatives of Key Management	Others	Total
(A) Transactions				
Rent	0.00	0.00	1.50	1.50
Remuneration & Perquisites	45.00	0.00	0.00	45.00
(B) Balances at the year end				
Unsecured Loans Payable	15.27	0.00	7.10	22.37
Investment in Equity Shares	0.00	0.00	1.30	1.30

25 Contingent Liabilities not provided for

Guarantee given by the banks for which the Company has given counter guarantee amounting to Nil (PY Nil)

Letter of Credit issued for purchase of Raw Materials Nil (PY Nil)

Raw - materials consumed includes materials used for Job Work, which is very insignificant hence not reported separately.

26 Value of Imports on CIF Basis

Raw Material

In Lacs	
Current Year	Previous Year
77.53	207.40

27 Remuneration to Auditors (In Lacs) - (Incl Ser Tax)

Audit & Tax Audit Fees

Current Year	Previous Year
0.73	0.65

28 Expenditure in Foreign Currency on Account of

Foreign Travel Expenses

Current Year	Previous Year
5.49	0.73

29 Earning in Foreign Exchange

Export of goods on FOB basis

Current Year	Previous Year
93.39	308.86

30 Earnings per Share (EPS)

- 1) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs.)
- 2) Weighted Average number of shares
- 3) Basic and Diluted Earnings per share (Rs.)
- 4) Face Value per equity share (Rs.)

Current Year	Previous Year
11,747,758.00	9,320,394.00
1,073,400.00	1,073,400.00
10.94	8.68
10.00	10.00

31 SSI Creditors

As required by the notification No. GSR 376 – E dated 22.05.2002 , issued by the Department of Company affairs, ministry of Law Justice and Company affairs Small Scale Industrial Undertaking to whom the company owes a sum which is outstanding for more than 30 days at the Balance Sheet date are Hindustan Tube, Ramdev Paper Box Ind., Stag Print P Ltd., Sundry Creditors – Schedule-6)These information determined on the basis of information available with the company.

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

33 'Balance of Debtors, Creditors, Un-Secured Loan, Advances and Bank's Outstation Collection Accounts are subject to confirmation & modification,

As per Annexed Report of even date

For Shah Mehta & Bakshi

Chartered Accountants

FRN - 103824W

For & on behalf of the Board

Anil Patel

(Chairman & Managing Director)

Vihang K Bakshi

(Partner)

M No - 039054

Vadodara, Dated - 27 th July 2013

Kunal Patel

(Director)

Vanseti, 27.07.2013

	As at 31-03-13	As at 31-03-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax & extraordinary items	20,242,823	19,409,142
<u>Adjustments For :</u>		
Add Depreciation	7,053,968	5,976,899
Loss / (Profit) on sales of Discarded Assets	-	3,049
Finance Charges	9,682,373	9,578,947
Miscellaneous Expenditure Written Off	-	-
'Earlier expenses (Income)	-	(141,225)
Less Dividend & Other Income	(477,893)	(570,141)
Operating Profit Before Working Capital Changes	36,501,271	34,256,671
<u>Adjustments For :</u>		
(Increase) / Decrease In Inventories	(7,203,898)	(2,652,561)
(Increase) / Decrease Receivables & Other assets	1,275,873	8,261,116
Increase (Decrease) in Trade And Other Payables	5,049,379	15,809,494
Cash Flow before extraordinary items	(878,646)	21,418,049
Cash Generated from Operations	35,622,625	55,674,720
Tax Paid	(4,118,084)	(2,133,440)
Net Cash From Operating Activities	31,504,541	53,541,280
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale (Purchase) of Fixed Assets	(3,954,327)	(27,913,944)
Proceeds from Sale of Fixed Assets	-	640,351
Interest & Dividend Received	477,893	570,141
Net Cash flow / use In Investing Activities	(3,476,434)	(26,703,452)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges	(9,682,373)	(9,578,947)
Increase (Decrease) in Secured Loan	(15,391,382)	(14,359,766)
Increase (Decrease) in Unsecured Loan	(2,650,935)	768,213
Net Cash From / (In) Financing Activities	(27,724,690)	(23,170,500)
D Net Increase In Cash And Cash Equivalents (A + B + C)	303,417	3,667,328
E Opening Cash And Cash Equivalents	9,420,628	5,753,300
F Closing Cash And Cash Equivalents (D+E)	9,724,045	9,420,628

For & on behalf of the Board

Anil Patel
(Chairman & Managing Director)

Kunal Patel
(Director)
Vanseti, 27.07.2013

We have reviewed the attached Cash Flow Statement of Purity Flexpack Ltd For the year ended on 31st March 2013
The Preparation of the Cash Flow Statement is the responsibility of the Company . Our responsibility is to express our opinion on the Cash Flow Statement based on our review.

In our opinion the said Cash Flow Statement which is derived from financial statement of the company for that year read together with the notes thereon is in accordance with the requirement for cash flow Statements prescribed by the Security and Exchange Board of India.

For SHAH MEHTA & BAKSHI
CHARTERED ACCOUNTANTS
FRN - 103824W

Vihang K Bakshi
(Partner)
M No - 039054
Vadodara, Dated - 27 th July 2013

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