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**Twenty-Second  
Annual Report  
2009-2010**

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**BOARD OF DIRECTORS**

**Sajjan Jindal**, *Chairman*

**Pradip Kumar Khaitan**

**C. M. Maniar**

**Sudhir A. Merchant**

**Atul Sud**

**K. K. Kanoria**, *Whole-time Director*

**Saket Kanoria**, *Managing Director*

**SECRETARY**

**S. G. Nanavati**

**AUDITORS**

**Shah Gupta & Co.**

*Chartered Accountants*

**REGISTERED OFFICE**

Shiv Smriti,  
49, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018.

Tel : +91 22 66606006

Fax : +91 22 24935893

Email : [info@tcpl.in](mailto:info@tcpl.in)

Website : [www.tcpl.in](http://www.tcpl.in)

**FACTORIES****Offset Printing Unit :**

17/18/21A/22, Govt. Industrial Estate, Masat, Silvassa,  
Union Territory of Dadra & Nagar Haveli – 396230

**Gravure Printing Unit :**

12/13D/3A & 3B, Govt. Industrial Estate, Masat, Silvassa,  
Union Territory of Dadra & Nagar Haveli – 396230

**Folded Carton Unit :**

118, Govt. Industrial Estate, Masat, Silvassa,  
Union Territory of Dadra & Nagar Haveli – 396230

**Haridwar Unit :**

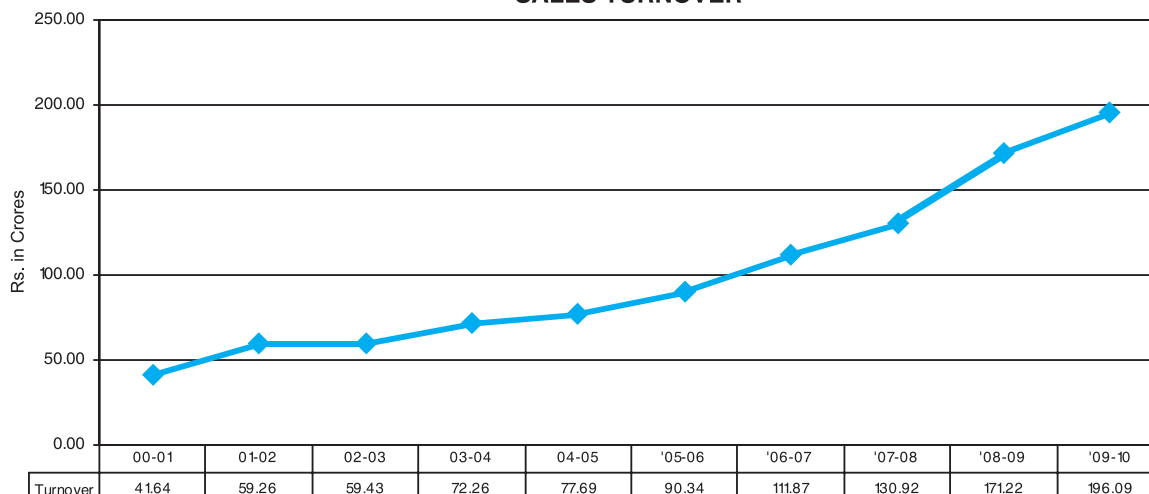
Plot no.1 & 2, Sector 6A,  
Integrated Industrial Estate  
BHEL, Haridwar  
Uttarakhand – 249403

## FINANCIAL DATA / OPERATING PERFORMANCE FOR THE LAST 10 YEARS

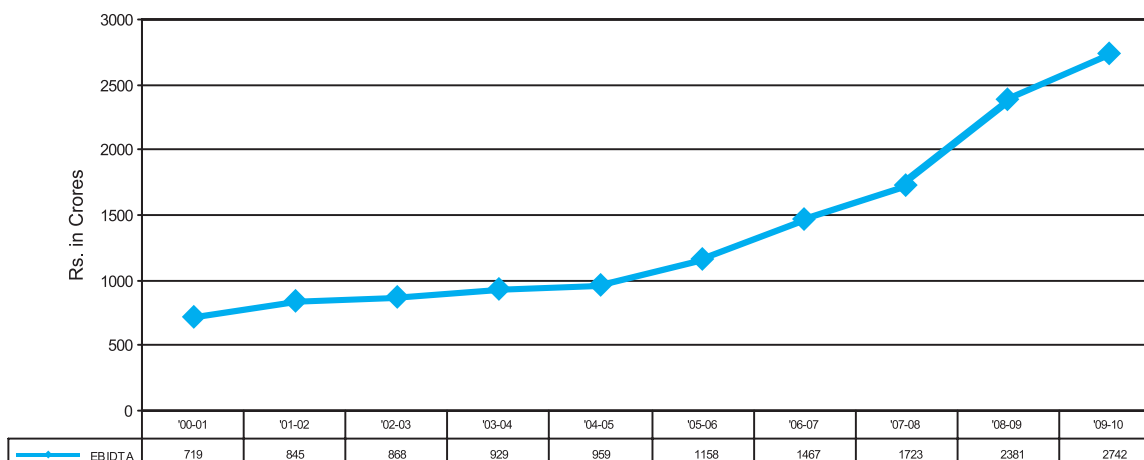
(Rs in Lacs)

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Capital Employed:</b>										
Net Fixed Assets	2801.69	3974.61	3996.68	4116.06	4815.03	6435.49	6956.36	9551.38	9175.88	10570.72
Net Current Assets	818.97	1408.61	1339.51	1128.66	805.16	878.1	1168.29	2125.61	2945.22	3014.26
<b>Total</b>	<b>3620.66</b>	<b>5383.22</b>	<b>5336.19</b>	<b>5244.72</b>	<b>5620.19</b>	<b>7313.59</b>	<b>8124.65</b>	<b>11676.99</b>	<b>12121.10</b>	<b>13584.98</b>
<b>Financed by:</b>										
Shareholders' Fund	2419.67	2139.09	2206.61	2304.76	2510.49	2935.39	3286.83	4666.62	4844.42	5322.79
Long Term Loans	883.51	1908.51	1769.91	1626.27	1597.96	3228.34	3574.23	5672.81	5468.88	6186.82
Working Capital Loans	230.48	641.90	700.15	576.39	728.96	497.04	500.08	697.71	1122.90	1435.20
Unsecured Loans	87.00	73.60	—	5.85	3.54	—	170.00	—	9.50	0.00
Deferred Tax Liability	—	620.12	659.52	731.45	779.24	652.82	593.51	639.85	675.40	640.17
<b>Total</b>	<b>3620.66</b>	<b>5383.22</b>	<b>5336.19</b>	<b>5244.72</b>	<b>5620.19</b>	<b>7313.59</b>	<b>8124.65</b>	<b>11676.98</b>	<b>12121.10</b>	<b>13584.98</b>
<b>Sales:</b>										
Notional Turnover	5602.53	7198.00	7948.00	9458.00	10421.00	11361.00	13984.00	16217.00	19152.00	22304.00
Turnover	4164.32	5926.43	5942.64	7226.35	7769.09	9034.01	11187.39	13092.89	17121.56	19609.78
Excise	776.99	1003.20	1065.41	1244.61	1237.49	1275.05	1279.16	1427.80	1399.32	997.82
Net Turnover	3387.33	4923.23	4877.23	5981.74	6531.60	7758.96	9908.23	11665.09	15722.24	18611.96
Of Which: Exports	64.13	78.81	230.13	479.40	1053.79	1789.13	2150.23	2210.06	2088.63	2300.00
<b>EBIDTA</b>	<b>719.14</b>	<b>844.50</b>	<b>868.26</b>	<b>928.51</b>	<b>959.27</b>	<b>1157.70</b>	<b>1467.45</b>	<b>1723.16</b>	<b>2380.94</b>	<b>2742.27</b>
Interest	152.40	189.06	347.77	305.54	247.82	320.19	423.06	544.27	729.28	662.78
Foreign Exchange Fluctuation	—	—	—	—	—	—	—	—	49.63	85.10
Cash Profit	566.74	655.44	520.49	622.97	711.45	837.51	1044.39	1178.89	1602.03	1994.39
Depreciation	218.04	236.08	347.00	368.84	394.85	499.41	661.97	816.90	1114.01	1209.10
Profit before tax	348.70	419.36	173.49	254.13	316.60	338.10	382.42	361.99	488.04	785.29
<b>Profit after tax</b>	<b>319.15</b>	<b>270.97</b>	<b>120.59</b>	<b>162.66</b>	<b>231.52</b>	<b>418.11</b>	<b>308.72</b>	<b>292.34</b>	<b>346.80</b>	<b>443.30</b>
<b>Dividend amount</b>	<b>55.10</b>	<b>50.00</b>	<b>56.41</b>	<b>67.69</b>	<b>88.19</b>	<b>93.22</b>	<b>100.38</b>	<b>134.25</b>	<b>134.25</b>	<b>139.93</b>
Earning Per Share (Amt. in Rs)	6.38	5.42	2.41	3.25	4.45	7.80	5.49	4.33	4.49	5.63
Dividend Per Share (Amt. in Rs)	1.00	1.00	1.00	1.20	1.50	1.50	1.50	1.50	1.50	1.50

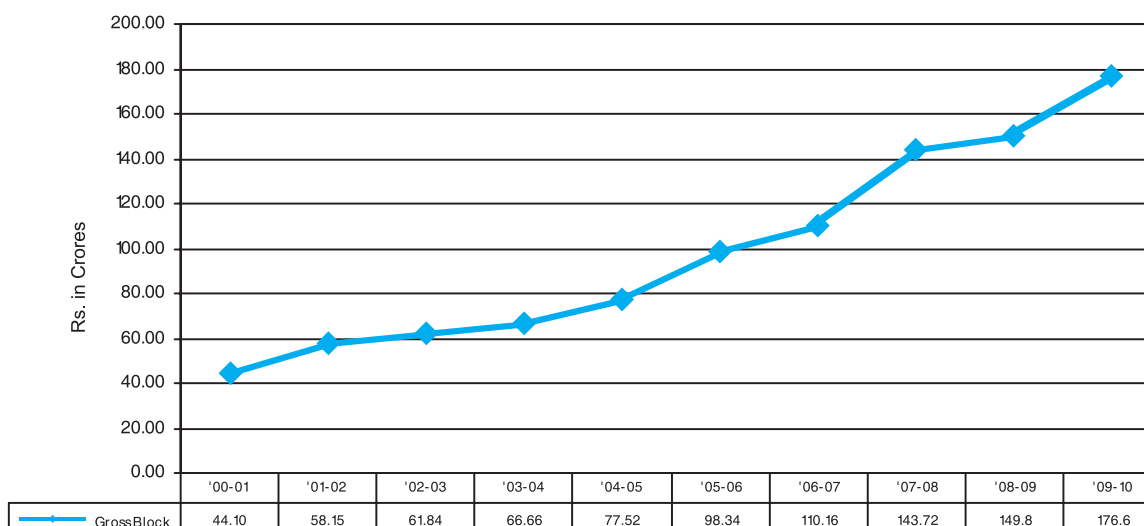
## SALES TURNOVER



## EBIDTA



## GROSS BLOCK





**Haridwar Manufacturing Unit**



**Display of some of the cartons printed by TCPL**

**Brand New 10 colour gravure press  
installed at Silvassa**



## NOTICE

Notice is hereby given that the Twenty-Second Annual General Meeting of TCPL Packaging Limited will be held on Tuesday, 21<sup>st</sup> September, 2010 at 10.30 a.m. at Sunville Deluxe Pavillion, 9 Dr. Annie Besant Road, Worli, Mumbai 400018 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance sheet as at 31<sup>st</sup> March 2010 and the Profit and Loss Account for the year ended 31<sup>st</sup> March 2010, and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend for the year ended 31<sup>st</sup> March 2010.
3. To appoint a Director in place of Mr. Sajjan Jindal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Atul Sud who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Sudhir Merchant be and is hereby appointed as a Director of the Company".
6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Pradip Kumar Khaitan be and is hereby appointed as a Director of the Company".
7. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the creation by Board of Directors of the Company, such mortgage, hypothecation, lien, charges and encumbrances on the fixed assets of the company in favour of Company's bankers to sell, lease or otherwise to dispose off the whole or substantially the whole-off the company's undertaking to secure.
  - a) the repayment of term loan of Rs.12.00 Crores together with interest thereon, secured by first pari passu charge on Fixed Assets, to Axis Bank.
  - b) the repayment of working capital facilities aggregating to Rs.9.50 Crores to Axis Bank, comprising of Rs.3.50 Crore fund based working capital limit and Rs.6.00 Crore non-fund based working capital limit together with interest thereon, secured by second pari passu charge on Fixed Assets.
  - c) the repayment of working capital facilities aggregating to Rs.17.60 Crores to Dena Bank, comprising of Rs.13.00 Crores fund based working capital limit and Rs.4.60 Crores non-fund based working capital limit together with interest thereon, secured by second pari passu charge on Fixed Assets.
  - d) the repayment of non fund based working capital facility basis of Rs.2.00 Crore to ICICI Bank, together with interest thereon, secured by second pari passu charge on the Fixed Assets."RESOLVED FURTHER THAT the Board Directors of the company be and are hereby authorized to finalise the documents to be entered with respective bank/banks for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary or required to give effect to the Resolution."
8. To consider, and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution  
"RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and any statutory modification or enactment thereof and the Guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to such requisite approvals, if any, consent of the Company be and is hereby accorded for the re-appointment of Mr. Saket Kanoria as the Managing Director of the Company, for a further period of Three years from 1<sup>st</sup> April, 2010 upon and subject to the remuneration, terms and conditions set out in the Agreement to be entered into between the Company and Mr. Saket Kanoria, a draft whereof is placed before the meeting and, for the purpose of identification, initialled by the Chairman hereof.

AND RESOLVED FURTHER THAT subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956, the remuneration payable as aforesaid shall be paid to Mr. Saket Kanoria as minimum remuneration, for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2013, notwithstanding that in any financial year of the Company during the term of this office as such, the Company may have made no profits or profits may be inadequate;

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Mr. Saket Kanoria (including the minimum remuneration) in

accordance with the relevant provisions in the Companies Act, 1956 and/or the rules and regulations made thereunder and/or relaxation or revision in the Guidelines for Managerial Remuneration as may be made and/or announced by the Central Government from time to time.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give effect to this Resolution."

9. To consider, and if thought it, to pass with or without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and any statutory modification or enactment thereof and the Guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to such requisite approvals, if any, the consent of the Company be and is hereby accorded for the re-appointment of Mr.K.K. Kanoria, as Whole-time Director of the Company, for a further period of Three years from 1<sup>st</sup> April 2010 upon and subject to the remuneration, terms and conditions set out in the Agreement to be entered into between the Company and Mr. K.K. Kanoria, a draft whereof is placed before the meeting and for the purpose of identification, initialled by the Chairman hereof.

AND RESOLVED FURTHER THAT subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956, the remuneration payable as aforesaid shall be paid to Mr K.K.Kanoria as minimum remuneration, for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2013, notwithstanding that in any financial year of the Company during the term of this office as such, the Company may have made no profits or inadequate profits.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Mr.K.K.Kanoria (including the minimum remuneration) in accordance with the relevant provisions of the Companies Act, 1956 and/or the rules and regulations made thereunder and/or relaxation or revision in the Guidelines for Managerial Remuneration as may be made and/or announced by the Central Government from time to time.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give an effect to this Resolution".

**By Order of the Board**

S.G.Nanavati  
Sr.Vice President (Corporate Affairs) &  
Company Secretary

**Registered Office :**

Shiv Smriti,  
49, Dr.Annie Besant Road,  
Worli, Mumbai 400018

Dated : 27<sup>th</sup> May, 2010

**Notes :**

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.**
- 2) The Register of Members of the Company will remain closed from 6<sup>th</sup> September, 2010 to 21<sup>st</sup> September, 2010 (both days inclusive).
- 3) Transfer of Shares (in physical form) received in order by the Company at the Registered Office or at the office of the Company's Registrar and Transfer Agent, on or before 21<sup>st</sup> September, 2010 will be passed for payment of dividend, if declared.
- 4) The dividend that may be declared at this meeting will be payable to those members (or to their mandatees) whose names are in the Company's Register of Members on 21<sup>st</sup> September, 2010 subject to the provisions of Section 206A of the Companies Act, 1956. In respect of shares held in electronic form (dematerialised shares), the dividend will be payable to such beneficial owners as per list furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- 5) Members are requested to notify immediately any change in their address/mandate/bank details to the Company, quoting their Folio Number.



## EXPLANATORY STATEMENT

### Item No. 5

Mr.Sudhir Merchant has been appointed as an Additional Director by the Board of Directors at its meeting held on 31<sup>st</sup> October, 2009, pursuant to the provisions of Section 260 of the Companies Act, 1956. He holds the office upto the ensuing Annual General Meeting. A notice in writing has been received from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr.Sudhir Merchant as a candidate for the office of the Director of the Company. His rich experience in Industry, will be of immense help to the Company. It is therefore, in the interest of the Company to appoint Mr.Sudhir Merchant as a Director of the Company.

Apart from Mr.Sudhir Merchant, no other Directors are interested in the Resolution.

### Item No. 6

Mr.Pradip Kumar Khaitan has been appointed as an Additional Director by the Board of Directors at its meeting held on 27<sup>th</sup> May, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956. He holds the office upto the ensuing Annual General Meeting. A notice in writing has been received from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr.Pradip Kumar Khaitan, as a candidate for the office of the Director of the Company. Mr.Khaitan is a Senior Advocate and Partner of Khaitan & Company, Advocates & Solicitors. His indepth knowledge and experience in legal matters, will be of immense help to the Company. It is therefore, in the interest of the Company to appoint Mr. Pradip Kumar Khaitan as a Director of the Company.

Apart from Mr.Pradip Kumar Khaitan, no other Directors are interested in the Resolution.

### Item No.7

The Company has been sanctioned term loan facility of Rs.12.00 Crores by Axis Bank and working capital facility have been increased to Rs.9.50 Crores subject to creation of pari passu charge on Fixed Assets of the Company for the term loan and creation of pari passu second charge on the Fixed Assets of the Company for the working capital facility. The working capital facility comprises of fund based working capital limit Rs.3.50 Crores and non-fund based working capital limit Rs.6.00 Crores.

The Company has also been sanctioned by Dena Bank increase in working capital facility upto Rs.17.60 Crores subject to creation of pari passu second charge on the Fixed Assets of the Company. The working capital facility comprises of Rs.17.60 Crores comprising of fund based working capital limit Rs.13.00 Crores and Rs.4.60 Crores non-fund based working capital limit.

The Company also has been sanctioned by ICICI Bank non fund based working capital facility on residual charge basis of Rs.2.00 Crores.

The Company has given undertakings to the above referred banks to furnish Resolution under Section 293(1)(a) of the Companies Act, 1956. The Directors of the Company recommend the passing of the Ordinary Resolution contained in item No.6.

### Item No.8

The Board of Directors of the Company, at its meeting held on 25<sup>th</sup> June, 2005, re-appointed Mr.Saket Kanoria as Managing Director for a period of 5 years with effect from 1<sup>st</sup> July, 2005 with substantial powers of management. His re-appointment and terms of payment of remuneration were approved by shareholders on 25<sup>th</sup> July, 2005. Subsequently, at the meeting of members held on 24<sup>th</sup> August, 2007 the terms of remuneration were revised for a period of 3 years from 1<sup>st</sup> April, 2007 till 31<sup>st</sup> March, 2010.

The Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2010, approved the draft agreement for re-appointment of Mr.Saket Kanoria as Managing Director for a period of 3 years with effect from 1<sup>st</sup> April, 2010 with substantial powers of management. He is responsible for the conduct of business, activities and operations of the various units of the Company. He shall perform all such duties and exercise the powers as may from time to time be assigned to him by the Board of Directors.

The particulars of the remuneration to be paid to Mr.Saket Kanoria, for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2013 within the limits of Schedule XIII of the Companies Act, 1956, are as under:

## REMUNERATION

### **SALARY:**

Rs.3,00,000/- per month (from the existing Rs.2,50,000 per month), subject to such annual increments as the Board may determine.

### **COMMISSION:**

Commission based on the net profits of the Company, subject to the ceiling prescribed in that behalf under the Companies Act, 1956.

### **PERQUISITES AND ALLOWANCES:**

Bonus or ex-gratia payment in accordance with the Rules and Regulations of the Company, accommodation (furnished or otherwise), or rent allowance in lieu thereof, house maintenance allowance, together with utilities thereof such as gas, electricity, water, furnishings and repairs; servants allowance, education allowance for dependant children, entertainment and newspaper and periodicals allowance, medical reimbursement, leave travel allowance for himself and his family, club fees, medical insurance etc. in accordance with the Rules and Regulations of the Company or as agreed by the Board of Director; Provided that the aggregate value shall not exceed Rs.1,00,000/- per month or Rs.12,00,000/- per annum (existing Rs.1,00,000 per month or Rs.12,00,000 per annum).

### **RETIREMENT BENEFITS:**

Company's contribution to Provident Fund or Superannuation or annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, 1961. Gratuity payable in accordance with the Rules and Regulations of the Company and the value of such benefits shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

### **USE OF CAR AND TELEPHONE:**

Provision of the Company's cars and driver for use on the Company's business and telephone(s) at residence (including payment for local calls and long distant official calls) shall not be included in the computation of perquisites for purpose of calculating the said ceiling.

If during the term of office of Mr.Saket Kanoria, the Company has not made profits or profits made are inadequate in any financial year, he will be entitled to above remuneration by way of salary and perquisites which will be treated as minimum remuneration.

Mr.Saket Kanoria will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.

Mr.Saket Kanoria shall give an undertaking to the Company that he shall not so long as he functions as Managing Director of the Company, become interested or otherwise connected directly or through his wife in any selling agency of the Company without the prior approval of the Company and the Central Government.

The Board of Directors are authorized to increase, augment and/or enhance or vary the remuneration to be paid and provided from time to time to Mr.Saket Kanoria in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification of re-enactment thereof and/or the Guidelines for Managerial Remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time.

Either party shall be entitled to terminate the Contract by giving not less than six months' prior notice in that behalf.

The Directors, therefore, recommend the passing of the Ordinary Resolution contained in item No.8 of the accompanying Notice under Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 for the above purpose.

The terms of remuneration of Mr.Saket Kanoria has the approval of the Remuneration Committee.

Mr Saket Kanoria may be considered to be interested in passing of the Resolution as it relates to his re-appointment and remuneration.

None of the Directors other than Mr.K.K.Kanoria and Mr.Sajjan Jindal, may be considered to be concerned or interested in the Resolution.

The Agreement proposed to be entered into with Mr.Saket Kanoria will be available for inspection to the members at the Registered Office of the Company during the Company's business hours on any working day of the Company upto and including the date of the meeting. A statement containing the requisite information as per Para (B) of Part II, of Schedule XIII of the Companies Act, 1956 is given hereunder:

### **I. General Information**

#### **1) Nature of Industry**

The Company is manufacturer of printed packaging material viz. cartons, boxes, shells and Hinge lid blanks etc.

2) **Date of commencement of Commercial production**

The Company commenced the commercial production at Silvassa factory in the year 1989-90 and thereafter increased its capacity over a period of time. The commercial production for Haridwar factory commenced in the year 2005-06.

3) **Financial Performance**

The Company has achieved a turnover of Rs.196.10 Crores and net Profit after tax of Rs.443.30 Lakhs during the year 2009-10.

4) **Export Performance**

The Company has achieved an export turnover of Rs.23.37 Crores during the year 2009-10.

5) **Foreign Investment**

As on 31.03.2010, the Company has no major foreign investment except investment in 846157 equity shares by NRI Shareholders and FII. There is no foreign collaboration arrangement.

**II. Information about the appointee**

1) **Background details & Past Remuneration**

Mr.Saket Kanoria was appointed in February 1991 as Managing Director. He is MBA-Finance from George Washington University, USA. Under his guidance and supervision, the Company has set up two factories at Silvassa and Haridwar. At Silvassa it has set up Gravure printing unit where 3 Web-fed Gravure printing machines have been installed. It has also set up Offset printing unit at Silvassa where 2 Offset printing machines are installed. Fluted corrugation plant has also been set up. At Haridwar, the Company has set up factory by installing 2 Offset printing machines. At both the locations, besides printing machines, the Company has also ancillary and post printing process equipments. The total investment in gross block as on 31<sup>st</sup> March, 2010 is Rs.176.61 Crores. He has been re-appointed as Managing Director from time to time. His last re-appointment was done on 30<sup>th</sup> June, 2005. The terms of remuneration was subsequently revised and fixed on 24<sup>th</sup> August, 2007 for a period of 3 years from 01.04.2007 to 31.03.2010. He has been reappointed as Managing Director from 1<sup>st</sup> April 2010 for a further period of 3 years and his terms of remuneration for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2013 are further revised and fixed at the Board Meeting held on 27.05.2010.

- a) Salary – Rs.3,00,000 per month, subject to an annual increment as Board may determine
- b) Commission based on Net Profit, subject to the ceiling prescribed under the Companies Act, 1956.
- c) Perquisite & Allowances having aggregate vale of Rs.1,00,000 per month or Rs.12,00,000 per annum.
- d) Retirement benefits like Provident Fund, superannuation, annuity fund, gratuity etc.

2) **Job Profile**

Mr.Saket Kanoria supervises and controls the day-to-day activities of the Company at various factories and offices through the departmental / operational heads. He is assisted by Team of Senior Management Personnel responsible for production, marketing, exports, accounts and finance and other activities. He is also a member of Young Presidents Organisation and Committee Member of Paper, Film and Foil Converters Association.

3) **Remuneration proposed**

In view of the increased activities, the Board of Directors have approved the increase in monthly salary from Rs.2,50,000 per month to Rs.3,00,000 per month. The value of perquisites and allowances remain unchanged i.e. Rs.1,00,000 per month. The aggregate value of remuneration therefore would be Rs.48,00,000 p.a. which is in accordance with Para 1(B) of Part II of Schedule XIII of the Companies Act, 1956. The above remuneration will be treated as minimum remuneration and will be paid in case the Company has inadequate profit or no profit for any financial year during 01.04.2010 to 31.03.2013. The increase in the remuneration term has been approved by the Remuneration Committee of the Company at its meeting held on 27.05.2010.

- 4) The remuneration proposed is comparative with reference to the industry, turnover of the company considering multilocal manufacturing set up and job profile of the Managing Director.
- 5) There is no other pecuniary relationship of Mr.Saket Kanoria with the Company except that Mr.K.K.Kanoria, his father draws the remuneration as Whole-time Director.

### III. Other information

The Company is a profit making organization and does not have losses. However, in case the Company make losses or its profits are inadequate, during the term of his appointment, and in particular during the period 01.04.2010 to 31.03.2013 the proposed increased salary should be treated as minimum remuneration in case such remuneration paid/payable is in excess of the limit specified under Section 198 of the Companies Act, 1956.

The Company has taken debts from the Bankers and the repayment of loans is being made as per schedules. The payment of interest is also being paid in time and the Company has not made any defaults in repayment of any of its debts or delayed in interest payable.

#### Item No.9

The Board of Directors of the Company, at its meeting held on 30.06.2006 re-appointed Mr.K.K. Kanoria as Whole-time Director for a period of 5 years with effect from 1<sup>st</sup> August, 2006 with substantial powers of management. His re-appointment and terms of payment of remuneration were approved by shareholders on 29<sup>th</sup> July, 2006

The Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2010, approved the draft agreement for re-appointment of Mr.K.K.Kanoria as Whole-time Director for a period of 3 years with effect from 1<sup>st</sup> April, 2010 with substantial powers of management. He is responsible for the conduct of business, activities and operations of the various units of the Company. He shall perform all such duties and exercise the powers as may from time to time be assigned to him by the Board of Directors.

The particulars of the remuneration to be paid to Mr.K.K.Kanoria, for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2013 within the limits of Schedule XIII of the Companies Act, 1956, are as under:

#### REMUNERATION:

##### SALARY:

Rs.2,25,000/- per month (from the existing Rs.1,50,000 per month), subject to such annual increments as the Board may determine.

##### COMMISSION:

Commission based on the net profits of the Company, subject to the ceiling prescribed in that behalf under the Companies Act, 1956.

##### PERQUISITES AND ALLOWANCES:

Bonus or ex-gratia payment in accordance with the Rules and Regulations of the Company, accommodation (furnished or otherwise), or rent allowance in lieu thereof, house maintenance allowance, together with utilities thereof such as gas, electricity, water, furnishings and repairs; servants allowance, education allowance for dependant children, entertainment and newspaper and periodicals allowance, medical reimbursement, leave travel allowance for himself and his family, club fees, medical insurance etc. in accordance with the Rules and Regulations of the Company or as agreed by the Board of Director; Provided that the aggregate value shall not exceed Rs.75,000/- per month or Rs.9,00,000/- per annum (existing Rs.40,000 per month or Rs.4,80,000 per annum).

##### RETIREMENT BENEFITS:

Company's contribution to Provident Fund or Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, 1961. Gratuity payable in accordance with the Rules and Regulations of the Company and the value of such benefits shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

##### USE OF CAR AND TELEPHONE:

Provision of the Company's cars and driver for use on the Company's business and telephone(s) at residence (including payment for local calls and long distant official calls) shall not be included in the computation of perquisites for purpose of calculating the said ceiling.

If during the term of office of Mr.K.K.Kanoria, the Company has not made profits or profits made are inadequate in any financial year, he will be entitled to above remuneration by way of salary and perquisites which will be treated as minimum remuneration.

Mr.K.K Kanoria will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.

Mr.K.K Kanoria shall give an undertaking to the Company that he shall not so long as he functions as Whole-time Director of the Company, become interested or otherwise connected directly or through his wife in any selling agency of the Company without the prior approval of the Company and the Central Government.

The Board of Directors are authorised to increase, augment and/or enhance or vary the remuneration to be paid and provided from time to time to Mr.K.K.Kanoria in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification of re-enactment thereof and/or the Guidelines for Managerial Remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time.

Either party shall be entitled to terminate the Contract by giving not less than six months' prior notice in that behalf.

The Directors, therefore, recommend the passing of the Ordinary Resolution contained in item No.9 of the accompanying Notice under Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 for the above purpose.

The terms of remuneration of Mr.K.K.Kanoria has the approval of the Remuneration Committee.

Mr.K.K.Kanoria may be considered to be interested in passing of the Resolution as it relates to his re-appointment and remuneration.

None of the Directors other than Mr.Saket Kanoria and Mr.Sajjan Jindal, may be considered to be concerned or interested in the Resolution.

The Agreement proposed to be entered into with Mr.K.K.Kanoria will be available for inspection to the members at the Registered Office of the Company during the Company's business hours on any working day of the Company upto and including the date of the meeting. A statement containing the requisite information as per Para (B) of Part II, of Schedule XIII of the Companies Act, 1956 is given hereunder:

## **I. General Information**

### **1) Nature of Industry**

The Company is manufacturer of printed packaging material viz. cartons, boxes, shells and Hinge lid blanks etc.

### **2) Date of commencement of Commercial production**

The Company commenced the commercial production at Silvassa factory in the year 1989-90 and thereafter increased its capacity over a period of time. The commercial production for Haridwar factory commenced in the year 2005-06.

### **3) Financial Performance**

The Company has achieved a turnover of Rs.196.10 Crores and net Profit after tax of Rs.443.30 Lakhs during the year 2009-10.

### **4) Export Performance**

The Company has achieved an export turnover of Rs.23.37 Crores during the year 2009-10.

### **5) Foreign Investment**

As on 31.03.2010, the Company has no major foreign investment except investment in 846157 equity shares by NRI Shareholders and FII. There is no foreign collaboration arrangement.

## **II. Information about the appointee**

### **1. Background details & Past Remuneration**

Mr.K.K Kanoria was appointed on 1<sup>st</sup> August 2001 as a Whole-time Director. He is a Graduate from Kolkata University with Hons. in Economics and Political Science. Under his guidance, the Company has set up two factories at Silvassa and Haridwar. He is primarily looking after policy decisions including financial matters, arrangement of long term funds by way of loans, capital, banking arrangements and other related financial activities. He has been associated with several Chambers of Commerce representing business and industry in the country. He occupied senior positions at various Chambers of Commerce at the level of President, Vice President, Secretary and Convener from time to time. He also headed and was a part of various delegations abroad on behalf of several Chambers of Commerce, representing Indian industry and business. He is an Honorary Consul of The Kingdom of Morocco since August 2005.

He was re-appointed as Whole-time Director from time to time for a period of five years and his last re-appointment was done on 1<sup>st</sup> August 2006 with the terms of remuneration for a period of 5 years from 01.08.2006 to 31.07.2011. He has been reappointed as Whole-time Director from 1<sup>st</sup> April 2010 for a period of 3 years and his terms of remuneration for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2013 are revised and fixed at the Board Meeting held on 27.05.2010.

a) Salary – Rs.2,25,000 per month, subject to an annual increment as Board may determine.

- b) Commission based on Net Profit, subject to the ceiling prescribed under the Companies Act, 1956.
- c) Perquisite & Allowances having aggregate value of Rs.75,000 per month or Rs.9,00,000 per annum.
- d) Retirement benefits like Provident Fund, Superannuation, Annuity Fund, Gratuity etc.

**2) Job Profile**

Mr.K.K Kanoria supervises the day-to-day activities of the Company mainly related to policy decisions and financial matters. He interacts with various departmental/ operational heads, at Company's offices and factories. He is assisted by Team of Senior Management Personnel responsible for production, marketing, exports, accounts, finance and other activities.

**3) Remuneration proposed**

In view of the increased activities, the Board of Directors have approved the increase in monthly salary from Rs.1,50,000 per month to Rs.2,25,000 per month. The value of perquisites and allowances have also been increased from Rs.40,000 to Rs.75,000 per month. The aggregate value of remuneration therefore would be Rs.36,00,000 p.a. which is in accordance with Para 1 (B) of Part II of Schedule XIII of the Companies Act, 1956. The above remuneration will be treated as minimum remuneration and will be paid in case the Company has inadequate profit or no profit for any financial year during 01.04.2010 to 31.03.2013. The increase in the remuneration term has been approved by the Remuneration Committee of the Company at its meeting held on 27.05.2010.

- 4) The remuneration proposed is comparative with reference to the industry, turnover of the company considering multilocal manufacturing set up and job profile of the Whole-time Director.
- 5) There is no other pecuniary relationship of Mr.K.K Kanoria with the Company except that his son, Mr.Saket Kanoria, draws the remuneration as Managing Director.

**III. Other information**

The Company is a profit making organization and does not have losses. However, in case the Company make losses or its profits are inadequate, during the term of his appointment, and in particular during the period 01.04.2010 to 31.03.2013 the proposed increased salary should be treated as minimum remuneration in case such remuneration paid/payable is in excess of the limit specified under Section 198 of the Companies Act, 1956.

The Company has taken debts from the Bankers and the repayment of loans is being made as per schedules. The payment of interest is also being paid in time and the Company has not made any defaults in repayment of any of its debts or delayed in interest payable.

**By Order of the Board**

S G Nanavati  
Sr Vice President (Corporate Affairs) &  
Company Secretary

**Registered Office:**

Shiv Smriti  
49, Dr Annie Besant Road  
Worli, Mumbai 400018

Dated: May 27, 2010

## INFORMATION REQUIRED TO BE FURNISHED AS PER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be re-appointed are given below :

1. Name : Shri Sajjan Jindal
- Age : 50 years
- Qualification : B E (Mech)
- Expertise : He is one of the leading Industrialists in India. He is associated with the Company since its incorporation in 1988-89 and is the Chairman on the Board of Directors.
- No. of Shares held : 50 Equity Shares @ Rs.10/- each

### Other Directorships:

S.No.	Name of the Companies	Position held
1	JSW Steel Limited	Vice Chairman & Managing Director
2	JSW Energy Limited	Chairman & Managing Director
3	Jindal South West Holdings Ltd	Chairman
4	JSW Bengal Steel Limited	Chairman
5	JSW Steel (U.K.) Limited	Chairman
6	The Associated Chambers of Commerce & Industry of India	Director
7	JSOFT Solutions Limited	Director
8	Vrindavan Fintrade Limited	Director
9	JSW Steel (Netherlands) BV	Director
10	Indian Institute of Management, Indore	Director
11	Airport Authority of India	Director
12	National Skill Development Corporation	Director

2. Name : Shri Atul Sud
- Age : 53 years
- Qualification : Master in Economics, MBA
- Expertise : Financial Consultant and a Company Director
- No. of Shares held : Nil

### Other Directorships:

S.No.	Name of the Companies	Position held
1	Strategic Capital Corporation Private Limited	Managing Director
2	EFG Wealth Management India Pvt. Ltd.	Director
3	Strategic Portfolio Advisory Company Pvt. Ltd.	Director
4	Strategic Trustee Company Private Limited	Director
5	Strategic Trading Private Limited	Director
6	Saturn Advisory Services Private Limited	Director
7	Growell Consultants Pvt. Ltd.	Director
8	Bliss Advisory Services Private Limited	Director
9	Strategic India Real Estate Management Co. Pvt. Ltd.	Director
10	Avakash Consultants Private Limited	Director
11	Nitco Tiles Limited	Director
12	Colva Tradeplace Private Limited	Director



3. Name : Shri Sudhir Merchant  
 Age : 57 years  
 Qualification : B.Com, Master of Management Studies  
 Expertise : He is one of the leading Industrialist and associated with Encore group as Chairman-cum-Managing Director. He is also on Board of various companies and trustee of various trusts.

**Other Directorships:**

S.No.	Name of the Companies	Position held
1	Encore Natural Polymers Private Limited	Chairman
2	ZYG Pharma Private Limited	Chairman
3	Saidarshan Business Centres Private Ltd.	Chairman
4	Encore Healthcare Private Limited	Chairman
5	Gum Manufacturers' Association of India	Director/Hon.Secretary
6	The Indian Card Cloth Company Limited	Director
7	Alpex International Limited	Chairman
8	Yuga Finvest Private Limited	Chairman
9	Encore Business Centre Private Limited	Director
10	Shivraj Sugar & Allied Products Pvt. Ltd.	Director

4. Name : Shri Pradip Kumar Khaitan  
 Age : 69 years  
 Qualification : B.Com, LLB, Attorney-at-Law.  
 Expertise : He is a Partner of one of the leading Advocates and Solicitors Firm, M/s.Khaitan & Co. He is also on the Board of various companies.

**Other Directorships :**

S.No.	Name of the Companies	Position held
1	CESC Limited	Director
2	Dalmia Cement (Bharat) Limited	Director
3	Electrosteel Castings Limited	Director
4	Emaar MGF Land Limited	Director
5	Gillanders Arbuthnot & Co. Ltd.	Director
6	Graphite India Limited	Director
7	Hindustan Motors Limited	Director
8	India Glycols Limited	Director
9	OCL India Limited	Director
10	Pilani Investment & Industries Corporation Ltd.	Director
11	South Asian Petrochem Limited	Director
12	Suzlon Energy Limited	Director
13	VISA Steel Limited	Director
14	Woodlands Medical Centre Ltd.	Director
15	Egyptian Indian Polyester Company SAE	Director

**By Order of the Board**

S.G.Nanavati  
 Sr Vice President (Corporate Affairs) &  
 Company Secretary

**Registered Office :**

Shiv Smriti  
 49, Dr.Annie Besant Road, Worli  
 Mumbai 400018  
 Dated: May 27, 2010



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting the Twenty Second Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### Financial Results

Particulars	(Rs. In lacs)	
	Year 2009-10	Year 2008-09
Gross Sales / Income from operations	<b>19609.78</b>	17121.56
The working results before charging interest & depreciation show an operating profit of	<b>2742.27</b>	2380.96
From which have been deducted :		
Losses on account of Exchange rate differences	<b>85.10</b>	49.63
Interest / Finance charges	<b>662.78</b>	729.28
Leaving a Cash Profit of	<b>1994.39</b>	1602.05
From which have been deducted :		
Depreciation	<b>1209.10</b>	1114.01
Provision for Tax and Wealth Tax (Current Year)	<b>283.72</b>	82.20
Provision for Tax (earlier years)	<b>93.50</b>	—
Provision for Deferred Taxation	<b>(35.23)</b>	35.55
Fringe Benefit Tax	<b>—</b>	23.50
Leaving a balance of	<b>443.30</b>	346.80
To which have been added :		
Balance brought forward from previous year	<b>654.34</b>	1441.79
Adjustment for gratuity liability		
Making a total of	<b>1097.64</b>	1788.59
Which has been appropriated by the Directors as under :		
General Reserve	<b>900.00</b>	1000.00
Proposed Dividend	<b>120.00</b>	114.75
Corporate tax on dividend	<b>19.93</b>	19.50
Balance to be carried forward	<b>57.71</b>	654.34
<b>Total</b>	<b>1097.64</b>	1788.59

### Dividend :

Your Directors are pleased to maintain a dividend of Rs.1.50 per equity share amounting to Rs.139.93 lacs including tax thereon. Though the Profit after tax has increased over last year, your Directors felt it prudent to maintain the dividend to conserve funds for financing growth.

## WORKING REVIEW AND PERFORMANCE

### Working Review :

During the year 2009-10, the Gross Turnover of the Company has increased to Rs.196.09 crores as against Rs.171.21 crores for the previous year ended 31<sup>st</sup> March 2009 representing a growth of 14.53%. Your Company has also converted 26989 M.T. of paperboard as against 23093 M.T in the previous year. As usual, your Company continues to do significant share of its business by the conversion route. However, had all the products been sold on sales basis, the Turnover would have been Rs.223.04 crores as against Rs.191.52 crores, representing a growth of 16.46%.

During the year under review, your Company has earned an EBIDTA of Rs.27.42 crores as compared to Rs.23.81 crores an increase of 15.17%. The Profit before tax however is Rs.7.85 crores, an increase of 60.91% over the previous year. This figure would have been even higher had it not been for the forex losses which the Company had to bear during the year under review. However, due to higher tax provisions in the year under review the Profit After tax is only 27.83% higher as compared to previous year.

During the year under review, your Company has suffered foreign exchange losses on account of its foreign exchange transactions with respect to import and export of materials and forward exchange contracts towards term loans. The total losses in this respect amount to Rs.85.10 lacs. Though your Directors have tried to minimize these risks, the volatility of exchange rates during the year has been quite considerable and unusual given the trend over the past many years.

## **Performance:**

### **Silvassa factory**

Your Company was operating in two locations until last year (Silvassa and Haridwar). The Company started its operations in the year 1990 at its existing plant at Silvassa with one web-fed offset gravure combination printing machine with inline die cutter.

Subsequently, over the years, the facility at Silvassa was continuously expanded and upgraded and at the beginning of the year under review the Company already had two web-fed gravure printing machines and two sheet fed offset printing machines along with a host of other ancillary equipments.

During the year under review, your Directors are pleased to inform you that your Company has commissioned a new facility across the street from the old facility. In this new plant, the Company has commissioned a state of the art Ten color gravure printing machine with inline rotary die cutter which has been imported from France.

The existing two gravure printing machines from the old facility are also being planned to be transferred to this new facility and your Directors are pleased to inform you that Machine no.2 imported in the year 1995 has already been shifted and commissioned at this new facility. The shifting process took about seven weeks which resulted in loss of production. This activity was carried out in Feb / Mar 2010. Currently, Machine no.1 with which the Company started its operations is being shifted to the new facility, and is likely to commence production by end of May, 2010.

With this major planned re-organization, all three web fed gravure printing machines along with relevant ancillary equipment will be housed under one roof at the new facility called GPU (Gravure Printing Unit) and the two sheet fed offset printing machines along with its ancillary equipment will be housed under one roof at the old facility called OPU (Offset Printing unit).

As a result of this re-organization, your Directors expect better performance in the future as two distinct processes will be manned and run in two specialized plants, which will be more conducive in terms of both layout and capability, and should result in higher productivity and thereby lower costs.

The old facility also housed a corrugation plant for manufacture of fluted cartons. Your Directors are pleased to inform you that we have commissioned a third facility at Silvassa which is about 500 meters away from the present one. This facility is called the Fluted Corrugation Unit (FCU) and houses the equipment to manufacture corrugated cartons. The shifting of all the machines and addition of some new equipment at this facility has also been completed by the end of March 2010.

The FCU is a unique facility equipped with all corrugating, punching and lamination activities under one roof. As a result your Directors feel that due to its specialization, the performance of this activity will also show a marked improvement with respect to productivity and costs. It is proposed that the printed sheets from OPU or GPU will be transferred to the FCU for lamination / punching / gluing and the dispatches will take place from there.

As a result of this major revamp of the operations at Silvassa, your Company is now operating three independent units each of which is a profit centre and a viable economic entity.

### **Haridwar**

The Haridwar plant of your Company continues to achieve high levels of capacity utilization. The products of the Company have been well received by its customers and your Directors are pleased to state that the levels of utilization and business generated at this plant have surpassed expectations and are at a satisfactory level.

### **Future prospects:**

Your Directors are pleased to state that your Company is today, one of the largest independent manufacturer of folding cartons in India with a turnover of about Rs.200 crores and board consumption of almost 27000 MT per annum.

During the year under review, your Company has added one new 10 color gravure printing line thereby adding considerable capacity for manufacturing of gravure printed materials. Your Company is also adding a sheet fed offset printing machine at Silvassa OPU which is expected to be commissioned by July 2010. With the addition of these two lines of printing equipment, the capacity of the Company as a whole has increased substantially and your Directors are therefore quite confident of maintaining a high growth rate over the next few years.

During the year 2009-10 the country has witnessed a lower than expected GDP growth. However, as per current economic forecasts for the Indian economy, the GDP growth rate for the financial year 2010-11 is expected to be in excess of 8%. As a result, your Directors feel that the demand for packaging products will grow in double digits and accordingly, have planned capacity expansions so that your Company can maintain growth rates in excess of 20% per annum in the foreseeable future.

With the reorganization of operations at Silvassa your Directors are confident that the performance level of the Company will increase considerably, both in turnover and profitability.

### **Responsibility Statement:**

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

- a) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.

- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible 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 that period.
- c) That they have taken proper and sufficient care 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 preventing and detecting fraud and other irregularities.
- d) That they have prepared the annual accounts on a going concern basis.

#### **Deposits**

Your Company has not accepted any deposits from the general public in terms of Section 58A of the Companies Act, 1956.

#### **Corporate Social Responsibility**

Your Company has, as a part of Corporate Social Responsibility, adopted an Industrial Training Institute in Dharampur, in the state of Gujarat nearby its factory at Silvassa. It is an industrial partner with the state of Gujarat in connection with upgradation of the institute. The Institute offers vocational training to students of nearby villages. Your Company has taken special interest and initiative in improvement of English language skills of the student of the institute. At present the institute has 450 students on its rolls who are engaged in various courses such as fitter, mechanic, wireman etc. The institute has also started special basic courses in "Printing and Packaging".

#### **Corporate Governance**

The Company has complied with all the provisions of Corporate Governance as prescribed in the revised Clause 49 of the Listing Agreement with the Stock Exchange. A report on the compliance of the Corporate Governance and the Auditor's certificate are given as an Annexure to this effect.

#### **Directors**

Your Directors regret to report the demise of Shri Parulekar who was the Director of the Company since its inception in the year 1989. We wish to put on record our appreciation and gratitude for the contribution provided by late Shri Parulekar to the Company since he became a Director.

In view of death of Shri Parulekar, the Directors of the Company have appointed Mr. Sudhir Merchant as an additional Director who retires at the conclusion of next Annual General Meeting and has offered himself for reappointment.

Mr. Sajjan Jindal and Mr. Atul Sud, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment. Your Directors recommend the reappointment of these retiring Directors.

#### **Addition to Share capital & Issue of Warrants**

During the year under review the promoters of the Company have subscribed to 3,50,000 equity shares of Rs.10/- each at a premium of Rs.20/- per share aggregating to Rs.1.05 crores. Besides this, the Company has also made a fresh allotment of 7,00,000 warrants to the promoters at a price of Rs. 40/- per warrant and accordingly the promoters have brought in 25% of the amount as per SEBI guidelines. The warrants which can be converted into equity shares in the ratio of one warrant to one share, can be subscribed by the promoters as per SEBI guidelines within 18 months from the date of allotment (Nov 2009).

#### **Personnel**

Your Directors are pleased to state that the relations with the employees / workers at factory and office were cordial throughout the year under review.

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

#### **Conservation of Energy and Technology Absorptions**

The Company continues to make efforts for conserving and optimizing the use of energy.

#### **Acknowledgement**

Your Directors wish to record their appreciation to all our Bankers namely Dena Bank, Axis Bank and ICICI Bank for their continued support and timely assistance in providing working capital and long term fund requirements.

#### **Auditors**

M/s. Shah Gupta & Company, Auditors of the Company retire at the Annual General Meeting and are eligible for re-appointment.

**For and On Behalf of the Board of Directors**

Chairman

Place : Mumbai

Date : 27<sup>th</sup> May, 2010

## REPORT ON CORPORATE GOVERNANCE

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchanges, the details of the compliance by the company are given as under :

### I. MANDATORY REQUIREMENTS

#### 1. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to make an earnest endeavor for increasing the level of transparency, accountability and equity in all its dealings with customers, suppliers, shareholders, lenders and employees.

#### 2. Board of Directors

##### A) Composition

The Board of Directors of the Company as on 31<sup>st</sup> March 2010 consists of 7 members comprising:

- Two Directors in the whole-time employment of the Company
- Five Non-Executive Directors out of which four are independent Directors, having experience in business, finance, law and management.
- The Chairman of the Board is a Non-Executive Director.

##### B) The Composition and Category of the Directors are as under :

As on 31<sup>st</sup> March 2010

Name of Director	Category of Director	Directorships held in other Companies •		Committee Memberships held on other Companies**	
		As Director	As Chairman	As Member	As Chairman
Mr. Sajjan Jindal	Non-Executive	3	3	—	—
Mr. Saket Kanoria	Executive	—	—	—	—
Mr. K.K.Kanoria	Executive	—	1	—	—
Mr. Sudhir Merchant	Non-Executive	1	1	—	—
Mr. C.M.Maniar	Non-Executive	14	1	6	1
Mr. Atul Sud	Non-Executive	1	—	—	—
Mr.Haigreve Khaitan	Non-Executive	15	—	9	—

• Excludes Directorships held in Private Limited companies, Foreign Companies, Companies U/s 25 of the Companies Act, 1956 and Memberships of Managing Committees of various Chambers / Institutions

\*\* Memberships/Chairmanships of Audit Committee and Shareholders' Grievance Committee have been considered.

##### C) Board Meetings held during the year :

During the Financial Year ended 31<sup>st</sup> March 2010, 7 Board Meetings were held on 21.04.09, 02.06.09, 17.07.09, 27.07.09, 30.10.09, 15.12.09 and 29.01.10.

##### D) Attendance of Directors at Board Meetings and last Annual General Meeting:

Name of Director	Board Meetings Attended	Attendance at last AGM 2 <sup>nd</sup> July 2009
Mr. Sajjan Jindal	2	Yes
Mr. Saket Kanoria	7	Yes
Mr. K.K.Kanoria	6	Yes
Mr. Sudhir Merchant	2	No
Mr. C.M.Maniar	5	No
Mr. Atul Sud	1	Yes
Mr.Haigreve Khaitan	2	No
Mr. N. S. Parulekar (Since deceased)	4	Yes

**E) Particulars of following Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 22nd Annual General Meeting.**

S.No.	Name of Directors	Remarks
1.	Mr. Sajjan Jindal	Retires by rotation and seeks for re-appointment.
2.	Mr. Atul Sud	Retires by rotation and seeks for re-appointment.
3.	Mr. Sudhir Merchant	Appointed as one Additional Director on 31.10.09, offers himself for re-appointment.

**3. Audit Committee**

**A) Composition**

The Board of Directors of the Company constituted an Audit Committee comprising 3 Independent Non-Executive Directors viz. Mr.C.M.Maniar, Mr. Atul Sud and Mr. Sudhir Merchant.

**B) Terms of Reference**

Broad terms of reference of the Audit Committee are to review with the Management and/or Internal Auditors and/or Statutory Auditors in the following areas :

- Overview of the Company's financial reporting process and financial information disclosures
- Review with Management, the annual financial statement before submission to the Board.
- Review with Management, External and Internal Audit Reports, the adequacy of internal control systems.
- Recommending the payment and remuneration of external auditors, fixation of Audit Fee and also approval for payment of any other services.
- Discussion with the Internal Auditors for any significant findings and follow up thereon.

**C) Meetings and Attendance during the year :**

During the financial year ended 31<sup>st</sup> March 2010, 4 meetings were held on 02.06.09, 27.07.09, 30.10.09 and 29.01.10 and the Attendance were as under :

Name of Director	Meetings Attended
Mr. Sudhir Merchant	2
Mr. C.M.Maniar	4
Mr. Atul Sud	1
Mr. N. S. Parulekar (Since deceased)	2

**4. Remuneration Committee :**

**A) Composition**

The Remuneration Committee of the company comprises of three independent Non-Executive Directors viz. .C.M.Maniar, Mr. Atul Sud and Mr. Sudhir Merchant.

**B) Meetings and Attendance during the year**

During the year ended 31<sup>st</sup> March 2010, no meeting was held.

The Chairman of the Remuneration Committee will be present at the Annual General Meeting of the Members to answer the shareholders' queries, if any.

The remuneration paid to the Directors of the Company during the financial year ended 31<sup>st</sup> March, 2010 is as under :

(Rs. in lacs)

Name of the Directors	Sitting Fees	Salary	Perquisites	Exgratia	Commission	Total
Mr.Sajjan Jindal, Chairman	0.10	-	-	-	-	0.10
Mr.Saket Kanoria, Managing Director	-	35.22	0.87	3.30	4.00	43.39
Mr.K.K.Kanoria, Whole-time Director	-	30.74	0.44	1.98	4.00	37.16
Mr.Sudhir Merchant, Director	0.30	-	-	-	-	0.30
Mr.C.M.Maniar, Director	0.65	-	-	-	-	0.65
Mr.Atul Sud, Director	0.15	-	-	-	-	0.15
Mr.Haigreve Khaitan, Director	0.15	-	-	-	-	0.15
Mr. N. S. Parulekar (Since deceased)	0.40	-	-	-	-	0.40

Except Managing Director and Whole-time Director, all the Members of the Board are liable to retire by rotation.

The appointments of Managing Director & Whole-time Director are governed by the resolution passed by the Board as per the recommendations of Remuneration Committee which covers the terms and conditions of such appointment, subject to final approval by the members. No severance fee is payable.

## 5. Shareholders' / Investors' Grievance Committee

### A) Composition

The Shareholders'/Investors' Grievance Committee comprises of three independent non-Executive Directors viz. C.M.Manian, Mr. Atul Sud and Mr. Sudhir Merchant.

The Committee looks into redressal of shareholders / investors' complaints. Mr. S.G. Nanavati, Sr.Vice President – Corporate Affairs has been designated as the Compliance Officer.

### B) Meetings and Attendance during the year

During the financial year ended 31<sup>st</sup> March 2010, 4 meetings were held on 02.06.09, 27.07.09, 30.10.09 and 29.01.10 and the Attendance were as under :

S.No.	Name of Director	Meetings Attended
1	Mr. C.M.Manian	4
2	Mr. Sudhir Merchant	2
3	Mr. Atul Sud	1
4	Mr. N. S. Parulekar (Since deceased)	2

### C) Status of Transfers

During the year ended 31<sup>st</sup> March 2010, 3,686 shares in physical form were processed for transfer. There were no pending shares for transfer as on 31.03.2010.

### D) Complaints

During the year ended 31<sup>st</sup> March 2010, the Company received 25 complaints from the shareholders which are relating to non-receipt of share certificates/dividend/warrants/ annual reports/change of address and non-receipt of duly transferred shares etc. No complaints have been received from Securities & Exchange Board of India and Stock Exchanges. The Company has duly redressed all the grievances.

## 6. General Body Meetings

### A) Particulars of last three Annual General Meetings

AGM	Year Ended	Venue	Date	Time
21 <sup>st</sup>	31 <sup>st</sup> March 2009	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018	02.07.2009	04.00 p.m.
20 <sup>th</sup>	31 <sup>st</sup> March 2008	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018	28.08.2008	04.30 p.m.
19 <sup>th</sup>	31 <sup>st</sup> March 2007	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road, Worli, Mumbai 400018	24.08.2007	11.30 a.m.

### B) Particulars of last three Extra-ordinary General Meetings

	Purpose	Venue	Date	Time
a)	Increase in Authorized Share Capital from Rs.8.50 crores to Rs.10.00 crores	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018	30.11.2009	10.30 am
b)	Issue of Warrants on preferential allotment basis.	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018	24.09.2007	11.30 am
a)	Issue of Equity shares on preferential allotment basis	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018	03.05.2007	11.00 am
b)	Increase in Authorized Share Capital from Rs 7.50 crores to Rs. 8.50 crores	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018		
a)	Issue of Rs. 2.80 lacs Equity shares on preferential allotment basis	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018		
b)	Issue of Rs. 3.00 lac Warrants on preferential allotment basis	Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018		

### C) Particulars of Special Resolution passed at last three Annual General Meetings

AGM	Date	Matter
21st	02.07.2009	Issue of Warrants on Preferential Allotment basis
20th	28.08.2008	Change in name of the Company as "TCPL Packaging Limited" & substitution of the changed name in the Memorandum & Articles of Association.
19th	24.08.2007	Increase in remuneration of Managing Director

### D) Voting by Postal Ballot

At the ensuing AGM, no resolution is proposed to be passed through the postal ballot.

## 7. Disclosures

- The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.
- During the year ended 31<sup>st</sup> March 2010, the Company has transferred Rs. 1,88,533/- being the amount of unclaimed dividend for the year 2001-2002 to Investors Education and Protection Fund.
- While preparation of the financial statements, no accounting treatment, which is different from the prescribed in an Accounting Standard, was followed.
- The Company has laid down the procedure to inform the Board Members about the risk assessment and minimisation procedures.
- During the year ended 31.3.2010, there were no transactions with any of the Non-Executive Directors except for the payment for attending Board Meetings and other Committee Meetings.
- There was no material, financial and commercial transaction where the Senior Management of the Company had personal interest that may have potential conflict with the interests of the company at large.

## 8. Means of Communication

The Quarterly, Half Yearly and Yearly Financial Results of the Company are sent to the Stock Exchanges immediately after their approval at the Board Meetings. These Results are published in leading financial / non-financial newspapers on 29.07.09, 31.10.09 and 01.02.2010. These results are simultaneously posted on the Website of the Company at [www.tcpl.in](http://www.tcpl.in)

## 9. Code of Conduct

The Company has adopted a Code of Conduct for Board Members and Senior Management Executives with effect from 31<sup>st</sup> December 2005. The same is applicable to all Directors and Senior Executives of the Company in the grade of Sr.Vice Presidents, General Managers, Functional Heads (Senior Management Executives). The same has been posted on the Web-site of the Company.

Management Discussions and Analysis is separately given and forms part of the Report.

## 10. General Shareholder information

### A) Annual General Meeting

Date : 21/09/2010

Time : 10.30 A.M.

Venue : Sunville Deluxe Pavillion, 9, Dr.Annie Besant.Road, Worli, Mumbai 400018

### B) Financial Calendar 2010-11

First quarter results : By 14/08/2010

Second quarter results : By 15/11/2010

Third quarter results : By 15/01/2011

Annual results for the year ending on 31<sup>st</sup> March 2011 : By 30/05/2011

Annual General Meeting for the year 2010-2011 : By September 2011

### C) Book Closure

From 06.09.2010 to 21.09.2010 (both days inclusive). Dividend, if declared at the AGM, will be paid on or after 21/09/2010.

### D) Listing of Shares & Other Securities

Company's shares are presently listed at the Stock Exchange, Mumbai and Ahmedabad. The Company has paid the listing fees to these exchanges.



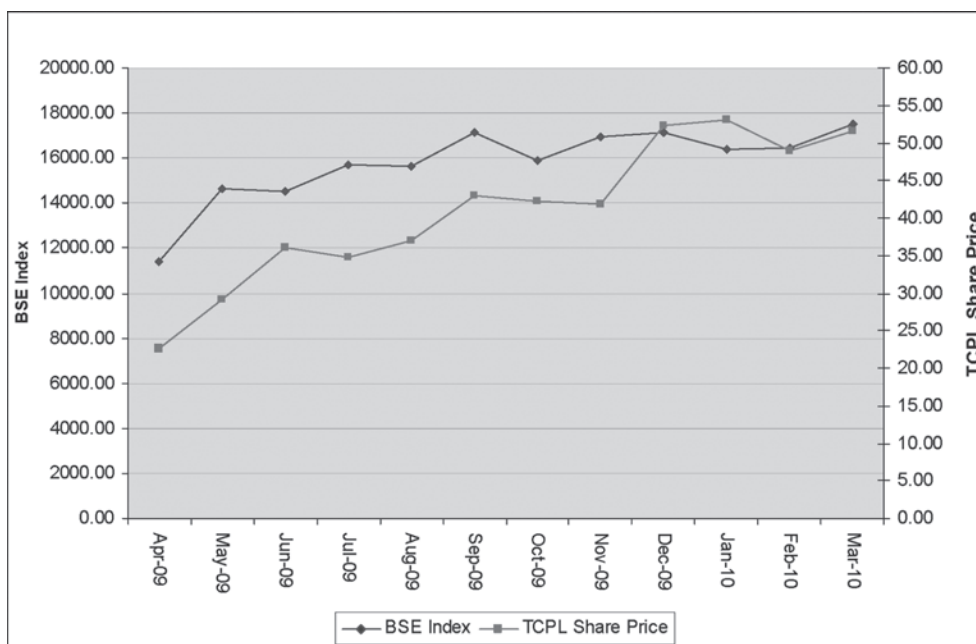
**E) Stock Code :**

(a) Trading Symbol at Stock Exchange, Mumbai (Physical Segment)	23301
Stock Exchange, Mumbai (Demat Segment)	523301
Stock Exchange, Ahmedabad	61990
(b) Demat ISIN number in NSDL & CDSL Equity Shares	INE822C01015

**F) Market Price Data**

The details of high/low market price of the shares at the Stock Exchange, Mumbai are as under:

Month	Highest			Lowest	
	Year	Rate (Rs.)	Date	Rate (Rs.)	Date
April	2009	22.55	24.04.09	17.35	02.04.09
May	2009	29.25	22.05.09	20.05	05.05.09
June	2009	36.00	10.06.09	27.00	01.06.09
July	2009	34.80	02.07.09	28.75	13.07.09
August	2009	37.00	31.08.09	30.30	07.08.09
September	2009	43.00	30.09.09	33.25	03.09.09
October	2009	42.30	01.10.09	36.95	15.10.09
November	2009	41.85	23.11.09	35.05	04.11.09
December	2009	52.40	11.12.09	38.60	04.12.09
January	2010	53.00	20.01.10	42.05	29.01.10
February	2010	48.90	01.02.10	38.50	24.02.10
March	2010	51.60	31.03.10	40.00	03.03.10


**G) Share Transfer Agents**

Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400078. Tel: 25963838 Fax: 25946969

**H) Share Transfer System**

The Company's shares are traded in the stock exchanges compulsorily in demat mode. The transfer of shares in physical



mode are processed by the Registrar and Transfer Agents and subject to exercise of option under compulsory transfer-cum-demat procedure, the share certificates are either dematerialised or returned within the time, prescribed by authorities. In case of objections, the share certificates along with the transfer deeds are returned within the time, prescribed by authorities. In case of objections, the share certificates alongwith the transfer deeds are returned within two weeks. The Company conducts through competent professionals, periodical audit of share transfer system and securities issued.

#### I) Distribution of Shareholding

The shareholding distribution of Equity Shares as on 31<sup>st</sup> March 2010 :

Shares Holding Range(s)		Holding		Equity Shares Held	
From	To	Number	Percentage	Number	Percentage
1	5000	5160	90.94	779115	9.74
5001	10000	238	4.19	187302	2.34
10001	20000	136	2.40	207685	2.60
20001	30000	31	0.55	79437	0.99
30001	40000	13	0.23	47190	0.59
40001	50000	16	0.28	71737	0.90
50001	100000	35	0.62	269852	3.37
100001	& above	45	0.79	6357682	79.47
<b>Total</b>		<b>5674</b>	<b>100.00</b>	<b>8000000</b>	<b>100.00</b>

#### J) Shareholding Pattern as on 31<sup>st</sup> March 2010

	Folios	Percentage	Equity Shares	
			Number	Percentage
Promoters	21	0.37	3489798	43.62
Non-Resident Individuals	22	0.39	96157	1.20
Bodies Corporate	104	1.83	1471835	18.40
Foreign Institutional Investors	1	0.02	750000	9.38
Mutual Funds	3	0.05	3600	0.05
HUF	30	0.53	43660	0.54
Clearing & Market Maker	19	0.33	9125	0.11
Others	5474	96.48	2135825	26.70
<b>Total</b>	<b>5674</b>	<b>100.00</b>	<b>8000000</b>	<b>100.00</b>

#### K) Dematerialisation of Shares

**87.66 % ( 7013008 shares)** of total equity capital of 80,00,000 is held in dematerialised form with NSDL/CDSL as on 31.03.2010.

#### L) Plant Locations

- Plot No. 12, 13D, 17, 18, 21A, 22, 118, 3A Government Industrial Estate, Masat, Silvassa, Union Territory of Dadra & Nagar Haveli 396230
- Plot No. 1 & 2, Sector 6A, Integrated Industrial Estate BHEL, Haridwar 249403, Uttarakhand State

#### M) Investor Correspondence :

##### TCPL Packaging Ltd.

Shiv Smriti Chambers  
49, Dr. Annie Besant Road  
Worli, Mumbai 400018

Phone : +9122 66606006

Fax : +9122 24935893

Email : info@tcpl.in

##### Link Intime India Private Limited

(Formerly Intime Spectrum Registry Ltd.)  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W), Mumbai 400078

Phone : +9122 25963838

Fax : +9122 25946969

**N) Non-Mandatory Requirements****1. Expenses pertaining to the office of the Chairman of the Board**

The Company is not incurring any expenses for maintaining the Non-Executive Chairman's Office.

**2. Remuneration Committee**

The Company has a Remuneration Committee in place.

**3. Audit qualification**

The Company at present does not have any audit qualification pertaining to the financial statement.

**4. Shareholders' rights**

The Company is not sending half yearly declaration of financial performance including the summary of significant events in the last six months to each household of shareholders. However, the financial performance of the company is well placed and also displayed in Company's Website. The Company furnishes the quarterly and half yearly results on receipt of requests from the shareholders.

**5. Training of Board Members**

The Company at present does not have any facilities for training of Board Members in the Business Model of the Company as well as the Risk Profile of the business parameters of the Company, their responsibilities as directors, and the best ways to discharge them.

**6. Mechanism for evaluating non-executive Board Members**

The Company does not have any mechanism for evaluating the performance of Non-Executive Directors by a peer group.

**7. Whistle Blower Policy**

The Company has an effective Whistle Blower Policy.

**11. CEO/CFO Certification**

The Company is getting certification of the Board from the CEO/CFO in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the CEO/CFO in respect of the Financial Year ended 31.3.2010 has been placed at the Meeting of Board of Directors held on 27/05/2010.

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members,  
TCPL PACKAGING LIMITED,  
Mumbai

We have examined the compliance of the conditions of Corporate Governance by TCPL PACKAGING LIMITED (Formerly known as Twenty First Century Printers Limited), for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

**For SHAH GUPTA & CO**

Chartered Accountants

Firm Registration No.: 109574W

VIPUL K. CHOKSI

PARTNER

M.No.37606

Place : Mumbai

Date : 27<sup>th</sup> May, 2010

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview:

During the year 2009-10, your Company's sales have gone up from Rs.171.21 crores to Rs.196.10 crores. The factories at Silvassa and Haridwar have converted 26989 M.T of board as compared to 23093 M.T in the previous year. The company has also added another Gravure printing press during the year.

The Company is continuously increasing its clientele and several of the large multinational companies operating in India are our customers.

During the year under review, the Company has expanded its facilities by adding a new 10 colour gravure machine with inline die cutter. This machine has been commissioned in January 2010.

Further, as explained in the Directors Report, the Silvassa plant of the company has been re-organised into three distinct units. The Directors Report gives the details.

### Industry Structure and Developments:

The year 2009-10 continued to witness growth in the FMCG industry. Despite the economic crisis in the rest of the world, growth is expected to continue in the foreseeable future in India. Therefore the packaging industry in India has a very optimistic outlook, particularly in terms of volume growth though the margins continue to be under pressure due to increased competition.

### Financial Performance:

During the year under review, the performance of your Company has improved over the previous year. While the turnover has increased by 14.53%, the EBIDTA has also gone up to Rs.27.42 crores as against Rs.23.81 crores during the previous year 2008-09. The cash profit has also gone up to Rs.19.94 crores as against Rs.16.02 crores during the previous year. A brief summary of the financial performance has already been explained in the Directors Report.

As the Company is engaged in the business of printing and packaging, which is a single business segment, providing segment-wise information is not relevant.

### Opportunities:

Your Company has now a fairly balanced installed capacity base at both the factories situated in two distinct locations in India. The company is in an ideal position to fulfill requirements of a wide base of customers manufacturing FMCG products.

Due to the geographical locations of the plants, your Company is ideally suited for catering to both, the export market and the local FMCG market which is increasingly concentrated in tax free zones.

### Threats:

New projects and increase in capacity of existing Plants in our Industry continue to be commissioned which result in pressure on margins.

The cost of inputs such as paperboard and polyester / BOPP films have been quite volatile, both in India and international markets. The margins could be under pressure in case of continuance of such volatile market conditions.

### Risk:

Significant amount of sales of your Company goes to meet the packaging requirement of the cigarette industry, which is under constant threat due to Government legislations, with a view to curb smoking. This may result in lower demand for printed packaging material from that sector in the long run.

### Internal Control System:

Commensurate with the size and nature of business, the Company has adequate system of internal control procedures. They are monitored and evaluated by independent firm of Chartered Accountants. Their reports are broadly discussed and reviewed by the audit committee of the Board of Directors.

### Industrial Relations:

The industrial relations continue to remain cordial both at Head Office and factories. As on 31st March, 2010 the Company had 607 employees on its payroll.

## AUDITORS' REPORT

To,  
The Members  
TCPL PACKAGING LIMITED, Mumbai

1. We have audited the attached Balance Sheet of TCPL PACKAGING LIMITED, as at March 31, 2010 and also the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 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, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act;
  - e. On the basis of the written representations received from Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2010 from being appointed as a director in term of clause (g) of sub-section (1) of Section 274 of the Act;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the Significant Accounting Policies and other notes thereon 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:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31 2010;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For SHAH GUPTA & CO**

Chartered Accountants

Firm Registration No.: 109574W

Vipul K. Choksi

Partner

M. No.37606

Place : Mumbai

Date : 27<sup>th</sup> May, 2010

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) The fixed assets have been physically verified by the management in the phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) The inventories have been physically verified by the management at the regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) The Company had taken unsecured loans from a company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.38.75 lacs (Previous Year Rs.41 lacs) and the year-end balance of loan taken from such parties was Rs. Nil (Previous Year Rs.9.50 lacs).
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the company.

- (d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any continuing major weakness in such internal controls.
- (v) According to the information and explanations provided by the management, there were no transactions during the year pursuant to the contracts or arrangements referred to in section 301 of the Act. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits under the provisions of Section 58A and 58 AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1957 framed there under.
- (vii) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth-Tax, Service Tax, Sales-Tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following demands as at March 31, 2010 have not been deposited since appeals are pending before the relevant Authorities:

Name of the statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	51.56	F.Y. 1999-00	Customs, Excise and Service Tax Appellate Tribunal
		65.10	F.Y. 2007-08	--do--
Income Tax Act, 1961	Income Tax	2.75	A.Y. 2004-05	Commissioner of Income Tax (Appeals)
	Income Tax	10.57	A.Y. 2007-08	Rectification application under section 154 filed with Assessing Officer

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedure and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks. The Company has not raised funds from the financial institutions and by issue of debentures.
- (xii) To the best of our knowledge and belief and according to the information explanations given to us, in our opinion, the term loans raised were prima facie used for the purposes for which they were raised.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on the documents and records produced 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.
- (xvi) To the best of our knowledge and belief and according to the information explanations given to us, in our opinion, the term loans raised were prima facie used for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term investment.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

**For SHAH GUPTA & CO**

Chartered Accountants

Firm Registration No.: 109574W

Vipul K. Choksi

Partner

M. No.37606

Place : Mumbai

Date : 27<sup>th</sup> May, 2010

# BALANCE SHEET AS AT MARCH 31, 2010

	Schedule No.	As at 31 <sup>st</sup> March, 2010	(Rs in lakhs) As at 31 <sup>st</sup> March, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	870.00	765.00
Reserves and Surplus	2	4452.79	4079.42
		5322.79	4844.42
<b>Loan Funds</b>			
Secured Loans	3	7622.02	6591.79
Unsecured Loans	4	—	9.50
		7622.02	6601.29
<b>Deferred Tax Liability (Net)</b>		640.17	675.39
<b>Total</b>		13584.98	12121.10
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	5		
Gross Block		17507.90	14979.79
Less : Depreciation		7090.35	5907.29
Net Block		10417.55	9072.50
Capital Work-in-progress (including Capital Advances)		153.17	103.38
		10570.72	9175.88
<b>Current Assets Loans and Advances</b>			
Inventories	6	2486.00	2358.06
Sundry Debtors	7	2964.18	2262.35
Cash and Bank Balances	8	309.90	555.88
Loans and Advances	9	693.85	658.13
	(A)	6453.93	5834.42
Less : Current Liabilities and Provisions			
Current Liabilities	10	3028.19	2511.15
Provisions	11	411.48	378.05
	(B)	3439.67	2889.20
Net Current Assets	(A)-(B)	3014.26	2945.22
<b>Total</b>		13584.98	12121.10

## Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements 19

Schedules referred to above form an integral part of the Financial Statements.

As per our Report of even date attached

For and on behalf of  
**Shah Gupta and Co.**  
Chartered Accountants

Vipul K.Choksi,  
Partner

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2010

C.M.Maniar, Director

Sudhir A. Merchant, Director

K.K.Kanoria, Whole-time Director

For and on behalf of Board of Directors

Atul Sud, Director

S.K.Kanoria, Managing Director

S.G.Nanavati, Company Secretary

# **PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

(Rs in lakhs)  
Year Ended  
31<sup>st</sup> March, 2009

	Schedule No.	Year Ended 31 <sup>st</sup> March, 2010	
<b>INCOME:</b>			
Sales		15820.41	14258.55
Conversion Charges		3789.37	2863.01
Gross Sales		19609.78	17121.56
Less : Excise Duty		997.82	1399.32
Net Sales		18611.96	15722.24
Other Income	12	236.00	215.94
Increase / (Decrease) in Inventories	13	(93.74)	222.87
<b>Total</b>		<b>18754.22</b>	<b>16161.05</b>
<b>EXPENDITURE:</b>			
Materials	14	10491.90	8822.27
Manufacturing & Other Expenses	15	4365.50	4002.93
Employees' Remuneration and Benefits	16	1154.55	954.89
Interest & Finance Charges (Net)	17	662.78	729.28
Foreign Exchange Fluctuation ( Net )	18	85.10	49.63
Depreciation		1209.10	1114.01
<b>Total</b>		<b>17968.93</b>	<b>15673.01</b>
<b>PROFIT BEFORE TAX</b>		<b>785.29</b>	<b>488.04</b>
Provision for Tax			
Current Year (including Wealth Tax)		283.72	82.20
Deferred Tax (Refer Note 10 of Schedule 19)		(35.23)	35.55
Fringe Benefit Tax		—	23.50
<b>PROFIT AFTER TAX</b>		<b>536.80</b>	<b>346.80</b>
Tax adjustment for earlier years (Refer Note B (11) of Schedule 19)		93.50	—
<b>NET PROFIT</b>		<b>443.30</b>	<b>346.80</b>
Balance brought forward from previous year		654.34	1441.79
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>1097.64</b>	<b>1788.59</b>
<b>APPROPRIATIONS :</b>			
Proposed Dividend		120.00	114.75
Corporate Dividend Tax		19.93	19.50
General Reserve		900.00	1000.00
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>57.71</b>	<b>654.34</b>
		<b>1097.64</b>	<b>1788.59</b>
<b>Earnings Per Share ( Refer Note no. B (9) of Schedule 19 )</b>			
Basic		Rupees 5.63	4.49
Diluted		Rupees 5.55	4.46
Face Value per Equity Share		Rupees 10.00	10.00

## **Significant Accounting Policies and Notes forming part of the Financial Statements**

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As per our Report of even date attached

For and on behalf of  
**Shah Gupta and Co.**  
Chartered Accountants

Vipul K.Choksi,  
Partner

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2010

C.M.Maniar, Director

Sudhir A. Merchant, Director

K.K.Kanoria, Whole-time Director

For and on behalf of Board of Directors

Atul Sud, Director

S.K.Kanoria, Managing Director

S.G.Nanavati, Company Secretary

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2010

(Rs in lakhs)  
As at  
31<sup>st</sup> March, 2009

### SCHEDULE 1

#### SHARE CAPITAL

##### Authorised :

100,00,000 (previous year 85,00,000) Equity Shares of Rs.10/- each

**1000.00**

850.00

##### Issued and Subscribed:

80,00,000 (Previous Year 76,50,000 Equity Shares)

**800.00**

765.00

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

**70.00**

Share Application Money

##### Total :

**870.00**

765.00

Note : Share Application money represent amount received against 700000 warrants issued on preferential basis which can be converted into 700000 equity shares at the option of the holders on or before 30.04.2011

### SCHEDULE - 2

#### RESERVES & SURPLUS

##### Capital Reserve

As per last Balance Sheet

**14.82**

0.42

Add : Transfer on forfeiture of share warrants

**—**

14.40

**14.82**

14.82

##### Securities Premium Account

As per last Balance Sheet

**1745.00**

1745.00

Add : Received during the year \*

**70.00**

—

**1815.00**

1745.00

##### General Reserve

As per last Balance Sheet

**1665.26**

700.00

Add : Transferred from Profit and Loss Account

**900.00**

1000.00

**2565.26**

1700.00

Less: Effect of Foreign Currency

**—**

34.74

**2565.26**

1665.26

Surplus in Profit and Loss Account

**57.71**

654.34

##### Total :

**4452.79**

4079.42

\* Received on issue of 3,50,000 Equity Shares of Rs 10/- each on conversion of warrants



(Rs in lakhs)

As at  
31<sup>st</sup> March, 2010

As at  
31<sup>st</sup> March, 2009

### SCHEDULE 3

#### SECURED LOANS

#### TERM LOANS FROM BANKS

##### In Foreign Currency

Buyers Credit	1710.43	2219.52
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Term Loan	366.36	—
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Suppliers Credit	101.40	—
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##### In Rupee Currency

Term Loan	3805.02	2965.18
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Add : Interest accrued and due	—	25.89
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	5983.21	5210.59
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Others	203.61	258.30
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Working Capital Loan from Banks	1435.20	1122.90
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<b>Total :</b>	<b>7622.02</b>	<b>6591.79</b>
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#### NOTES :

Rupee Loan, Foreign currency loan and Buyers Credit ( Letter of Credit) availed from the banks aggregating to Rs.5817.36 lacs are secured by mortgage of Company's immovable properties at Silvassa and Haridwar and hypothecation of Company's movable assets including immovable machines (save and except book debts and those machines on which specific charge created / to be created in favour of Orix Auto Infrastructure Services Limited, for the loan availed of Rs 203.61 lacs and foreign currency suppliers credit availed from machinery supplier, Rs 101.40 Lacs),machinery spares, tools and accessories by way of first charge on pari passu basis with Dena Bank, Axis Bank Limited, and ICICI Bank Limited, subject to second charge on the specific moveable assets charged to the banks for working capital loans.

Vehicle loans from ICICI Bank Limited for Rs.64.45 lacs are secured by hypothecation of vehicles.

Working Capital loans availed from banks aggregating to Rs.1435.20 lacs are secured by first charge by way of hypothecation of raw materials, semi - finished goods, finished goods, tools and spares, packing material, book debts and assignment of actionable claims on pari passu basis with Dena Bank and Axis Bank Limited.

The Working Capital loans are also secured on pari passu basis on immovable properties at Silvassa and Haridwar on second charge basis.

### SCHEDULE - 4

#### UNSECURED LOANS

Short Term Loan From Body Corporate	—	9.50
-------------------------------------	---	------

[Repayable within one year Rs Nil (Previous year Rs. 9.50 Lacs)]

<b>Total :</b>	—	9.50
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## SCHEDULE 5

### FIXED ASSETS

(Rs in lakhs)

Particulars	Gross Block (at cost)			Depreciation/Amortisation/Impairment			Net Block	
	As at 01.04.2009	Additions	Sale	As at 31.03.2010	For the year	Sale	As at 31.03.2010	As at 31.03.2009
<b>Tangible Assets</b>								
Leasehold Land	163.11	66.66	—	229.77	2.75	—	219.54	155.63
Buildings	1758.85	458.78	—	2217.63	60.96	3.46	1847.76	1446.47
Plant & Machinery @	12346.60	2011.88	14.48	14344.01	1079.89	4.29	7896.06	6974.26
Furniture & Fixtures	259.00	10.37	0.64	268.74	16.78	—	154.18	161.23
Vehicles	375.75	32.63	37.12	371.27	39.01	18.04	255.52	280.97
<b>Intangible Assets</b>								
Software	76.48	—	—	76.48	9.70	—	44.49	53.94
<b>Grand Total</b>	<b>14979.79</b>	<b>2580.33</b>	<b>52.24</b>	<b>17507.90</b>	<b>1209.10</b>	<b>25.79</b>	<b>10417.55</b>	<b>9072.50</b>
<b>Capital Work in Progress</b>				153.17				103.38
<b>Previous Year</b>	14371.63	669.03	60.87	14979.79	1114.01	26.97	9072.50	—

@ Addition in Plant and Machinery includes gain on foreign exchange fluctuations of Rs. 131.95 lacs ( previous year loss Rs 290.76 lacs )

(Rs in lakhs)

As at  
31<sup>st</sup> March, 2010

As at  
31<sup>st</sup> March, 2009

## SCHEDULE 6

### INVENTORIES

Raw Materials	1131.03	967.99
Work-in-Progress	404.03	478.16
Finished Goods	108.84	128.47
Material in transit	300.50	245.79
Consumable Stores	541.60	537.65
<b>Total :</b>	<b>2486.00</b>	<b>2358.06</b>

## SCHEDULE 7

### SUNDRY DEBTORS

(Unsecured, considered good)

Debts outstanding for a period exceeding six months	84.43	136.56
Other debts	2879.75	2125.79
<b>Total :</b>	<b>2964.18</b>	<b>2262.35</b>

## SCHEDULE 8

### CASH AND BANK BALANCES

Cash on hand	4.46	3.15
Balances with Scheduled Banks		
in Current Accounts	1.98	9.01
in Fixed Deposits	282.40	524.79
in Margin Money Accounts	0.43	1.38
in Unclaimed Dividend Accounts	20.63	17.55
<b>Total :</b>	<b>309.90</b>	<b>555.88</b>

## SCHEDULE 9

### LOANS AND ADVANCES

(Unsecured, considered good)

Advances recoverable in cash or in kind for value to be received	146.25	117.23
Loans to employees	9.21	6.09
Prepaid expenses	62.88	32.53
Security Deposits	30.65	34.16
Excise Balances	276.61	163.19
Advance Tax (net)	166.50	301.34
Advance Fringe Benefit Tax (net)	1.75	3.57
<b>Total :</b>	<b>693.85</b>	<b>658.13</b>

(Rs in lakhs)

	As at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009
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## SCHEDULE 10

### CURRENT LIABILITIES

Acceptances	948.40	744.83
Sundry Creditors		
Outstanding dues of Micro and Small Enterprises (Refer Note no.B (6) of Schedule 19)	6.12	1.15
Others	1745.20	1565.17
Interest accrued but not due	4.80	19.48
Customer Advances	0.35	—
Investor Education & Protection Fund shall be credited by ( as and when due )		
- Unclaimed Dividends	20.63	17.55
Other Liabilities	279.50	147.42
Security Deposits	23.19	15.55
<b>Total :</b>	<b>3028.19</b>	<b>2511.15</b>

## SCHEDULE 11

### PROVISIONS

Wealth Tax (net)	0.31	1.20
Employee Benefits	271.24	242.60
Proposed Dividend	120.00	114.75
Corporate Dividend Tax	19.93	19.50
<b>Total :</b>	<b>411.48</b>	<b>378.05</b>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010**

(Rs in lakhs)  
Year Ended  
31<sup>st</sup> March, 2009

**SCHEDULE - 12**

**OTHER INCOME**

Sale of Scrap	<b>117.61</b>	133.86
Export Benefits	<b>115.97</b>	78.58
Miscellaneous Income	<b>2.42</b>	3.50
<b>Total :</b>	<b>236.00</b>	215.94

**SCHEDULE - 13**

**INCREASE / (DECREASE) IN INVENTORIES**

**Closing Stock :**

Finished Goods	<b>108.84</b>	128.47
Work in Progress	<b>404.03</b>	478.16
	<b>512.87</b>	606.63
 Less : Opening Stock :		
Finished Goods	<b>128.47</b>	179.52
Work in Progress	<b>478.16</b>	204.24
	<b>606.63</b>	383.76
<b>Total :</b>	<b>(93.74)</b>	222.87

**SCHEDULE - 14**

**MATERIALS**

Opening Stock	<b>1192.68</b>	983.10
Add : Purchases	<b>10726.47</b>	9031.85
	<b>11919.15</b>	10014.95
Less : Closing Stock	<b>1427.25</b>	1192.68
<b>Total :</b>	<b>10491.90</b>	8822.27

(Rs in lakhs)

Year Ended 31 <sup>st</sup> March, 2010	Year Ended 31 <sup>st</sup> March, 2009
--------------------------------------------	--------------------------------------------

## SCHEDULE - 15

### MANUFACTURING AND OTHER EXPENSES

#### Manufacturing expenses

Trading Purchases	—	95.85
Consumption of Stores	1868.62	1542.00
Carriage Inward	520.50	434.62
Glueing and Other Labour Charges	605.88	620.66
Power and Fuel	449.68	359.11
Repairs and Maintenance		
a) Machineries	35.26	32.27
b) Building	13.75	15.38
c) Others	31.80	30.84
<b>(A)</b>	<b>3525.49</b>	<b>3130.74</b>

#### Office, Administration, Selling and other expenses

Rent	59.42	58.91
Rates and Taxes	14.54	11.70
Insurance	53.81	47.36
Travelling and Conveyance	195.22	214.49
Auditors' Remuneration		
– Audit fees	4.50	4.00
– Tax Audit fees	1.00	0.75
– Limited Review	0.75	0.45
– Certification and other matters	1.36	0.29
Loss on sale of Fixed Assets (net)	14.57	1.06
Carriage outward	105.10	180.64
Sales Commission	15.44	32.56
Other selling and distribution expenses	23.10	55.88
Miscellaneous expenses	351.19	264.09
<b>(B)</b>	<b>840.01</b>	<b>872.18</b>
<b>Total (A) + (B)</b>	<b>4365.50</b>	<b>4002.92</b>

(Rs in lakhs)

**Year Ended  
31<sup>st</sup> March, 2010**

**Year Ended  
31<sup>st</sup> March, 2009**

## **SCHEDULE - 16**

### **EMPLOYEE REMUNERATION AND BENEFITS**

Salaries, Wages and other benefits	<b>1030.02</b>	842.32
Contribution to Provident and Other Funds	<b>67.73</b>	60.21
Staff welfare expenses	<b>56.80</b>	52.35
<b>Total :</b>	<b>1154.55</b>	954.88

## **SCHEDULE - 17**

### **INTEREST AND FINANCE CHARGES (NET)**

Interest on Term Loans to Banks	<b>449.47</b>	515.93
Interest and Bank Charges	<b>290.48</b>	289.38
	<b>739.95</b>	805.31
Less : Interest earned	<b>77.17</b>	76.02
(Tax Deducted at Source Rs.12.68 lacs Previous year Rs.7.85 lacs)		
<b>Total :</b>	<b>662.78</b>	729.28

## **SCHEDULE - 18**

### **FOREIGN EXCHANGE FLUCTUATION (NET)**

Exchange Fluctuation (net)	<b>24.74</b>	49.63
Premium on forward exchange contract	<b>16.58</b>	—
Loss on forward exchange contract	<b>43.79</b>	—
<b>Total :</b>	<b>85.10</b>	49.63

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

Particulars	Year Ended 31 <sup>st</sup> March, 2010	(Rs. in lakhs) Year Ended 31 <sup>st</sup> March, 2009
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax and extraordinary items	785.29	488.04
Adjustment for:		
Depreciation	1209.10	1114.01
Loss/ (Profit) on sale of Fixed Assests	14.57	1.06
Loss on Forward Contract incl premium	43.79	
Unrealised Forex Fluctuations	5.75	(3.52)
Bad debts and others	46.52	14.39
Interest Paid	739.95	805.31
Less: Interest Received	77.17	76.02
	<b>1982.51</b>	<b>1855.23</b>
Operating profit before Working Capital Changes	<b>2767.80</b>	<b>2343.27</b>
Adjustment for:		
Trade and other receivables	(748.35)	(320.54)
Inventories	(127.94)	(451.35)
Other Assets	(177.11)	60.48
Provisions	28.64	—
Trade Payable	452.83	20.70
	<b>(571.93)</b>	<b>(690.71)</b>
Cash Flow Before Taxation	<b>2195.88</b>	<b>1652.56</b>
Cash Flow before extra ordinary items		
Net cash from operating activities		
Direct Tax (Paid) / Refund During the year	—	—
Less: Direct Tax Paid - Current	(236.99)	(187.57)
Less: Direct Tax Paid - FBT	—	—
Less: Wealth Tax Paid	—	—
<b>Net Cash Flow from Operating Activities (A)</b>	<b>1958.88</b>	<b>1464.99</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets and capital advances	(2762.07)	(516.39)
Sale of fixed assets	11.87	32.84
Interest Received	77.17	76.02
<b>Net cash Flow from Investing Activities (B)</b>	<b>(2673.03)</b>	<b>(407.53)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings (net)	1152.68	(59.99)
Proceeds from issue of capital (including premium)	105.00	—
Share Application Money	70.00	—
Fixed Deposits	242.39	(81.63)
Interest paid	(725.27)	(790.44)
Dividends paid	(114.75)	(114.47)
Corporate Dividend Tax paid	(19.50)	(19.50)
<b>Net cash Flow from Financing Activities (C)</b>	<b>710.55</b>	<b>(1,066.03)</b>
<b>Net increase in cash and cash equivalents(A+B+C)</b>	<b>(3.60)</b>	<b>(8.57)</b>
Cash and Cash equivalents - Opening Balance	<b>31.09</b>	<b>22.11</b>
Cash and Cash equivalents - Closing Balance	<b>27.49</b>	<b>13.54</b>

NOTES: 1) The above cash flow statement has been prepared by using the indirect method as per Accounting Standard (AS)-3 "Cash Flow Statements"

2) Cash and Cash Equivalents exclude term deposits and balance in unclaimed dividend account aggregating to Rs.303.04 lakhs (Previous year Rs.542.34 lakhs)

As per our Report of even date attached  
For and on behalf of  
**Shah Gupta and Co.**  
Chartered Accountants

Vipul K.Choksi,  
Partner

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2010

C.M.Maniar, Director

Sudhir A. Merchant, Director

K.K.Kanoria, Whole-time Director

For and on behalf of Board of Directors

Atul Sud, Director

S.K.Kanoria, Managing Director

S.G.Nanavati, Company Secretary



## **SCHEDULE -19**

### **(A) STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis of Accounting**

The accompanying financial statements have been prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956. The Company follows mercantile system of accounting except for insurance claims which is accounted on cash basis.

#### **b) Use of estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

#### **c) Valuation of Inventories**

- Raw materials/Consumable Stores are valued at cost after providing for cost of obsolescence or depletion in value wherever applicable. Cost is determined on FIFO basis.
- Work-in-Progress is valued at lower of cost or net realisable value.
- Finished goods are valued at lower of cost or net realisable value. Value of finished goods includes applicable excise duty.
- The cost for the purpose of Work-in-Progress and finished goods, includes direct costs, overheads and depreciation incurred in bringing the inventory to their present location and condition.

#### **d) Cash Flow Statement**

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

#### **e) Fixed Assets**

- All fixed assets are valued at historical cost less accumulated depreciation and impairment losses.
- Fixed Assets are capitalised at cost inclusive of freight, non refundable duties & taxes and all incidental expenses related thereto.
- Expenditure related to and incurred during implementation of the project is included under capital work-in-progress and the same is capitalised under appropriate heads on completion of the project.
- For the purpose of determining of appropriate depreciation rates, plant and machinery falling in the category of continuous process plant has been identified on the basis of technical opinion by the Company.
- In case, the recoverable amount of the Fixed Assets is lower than its carrying amount, a provision is made for the impairment loss.

#### **f) Impairment of Assets**

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of the assets is estimated. If such recoverable amount of the Assets is less than its carrying amount, carrying amounts is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the assets are reflected at the recoverable amount subject to maximum of the depreciable historical cost

#### **g) Depreciation**

- Depreciation on fixed assets is provided on a straight line method in accordance with provisions of and as per the rates prescribed under Schedule XIV of the Companies Act, 1956.
- The cost of leasehold rights of land is amortized in equal installments over the residual period of the lease.
- Software cost is amortised over the estimated useful life.

#### **h) Revenue Recognition**

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Revenue from sale of goods is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of sales tax / Value Added Tax. Export benefits are accounted on Mercantile basis.

**i) Foreign Exchange Transactions.**

- Import of raw materials/consumable stores are accounted on the basis of CIF value at the rate of exchange prevailing on the date of transactions.
- Monetary assets and liabilities in foreign currency as on balance sheet date are translated at the rate of exchange prevailing at balance sheet date.  
All exchange differences, are dealt with in the profit and loss account, except to the extent that they are regarded as an adjustment to interest costs and capitalized to fixed assets.
- The premium or discount on forward contracts is amortised as expense or income over the life of the contract. Any profit or loss on settlement/cancellation of forward contract is recognized as income or expenses for the year in which they arise.
- The exchange difference relating to Foreign Currency long term monetary items are adjusted to the cost of Fixed Assets.

**j) Employee Benefits**

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost. Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) is measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations. Contributions to Provident Fund, Contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered service entitling them to the contributions. Provision for leave encashment is made on the basis of unutilised leaves of the employees as on balance sheet date. The gratuity benefit obligations recognised in the balance sheet represents the present value of the obligations as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognized in the profit and loss account. (Refer Note 14 (b) of Schedule '19')

**k) Borrowing Costs**

- Borrowing costs directly attributable to the acquisition and construction of qualifying assets are capitalised as a part of the cost of respective asset up to the dates such asset is ready for intended use. Other borrowing costs are charged as an expense in the period in which they are incurred.
- Interest income earned from deposits is reduced from Interest and Finance charges. (Schedule 17)

**l) Earnings Per Share**

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings per share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

**m) Taxes on Income**

- Current Tax is determined as the amount of tax payable in the respect of taxable income for the year in accordance with the Income Tax Act.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations as at the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient taxable income will be available in future, against which the deferred tax assets can be realized; however where there is unabsorbed depreciation and carried forward losses, deferred tax assets is created only if there is virtual certainty of realisation of assets

- Tax credit is recognized in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

**n) Provisions and Contingent Liabilities**

A provision is recognized when there is a present obligation as a result of past event, based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts.

## (B) NOTES ON ACCOUNTS

### (1) Contingent Liabilities

- a) Counter Guarantees given to the banks in respect of :
    - i) Bank Guarantees of Rs 48.08 lakhs given to the Electricity Department/various Government Authorities (Previous Year Rs.25.70 lakhs)
    - ii) The Bonds given(to Customs and Excise Authorities) Rs3728.03 lakhs towards export obligation fulfillment of Rs 11080.12 lakhs(since fulfilled Rs 6830.50 lakhs)for licences issued under Export Promotion Capital goods scheme (Previous year Rs.3744.53 lakhs) and other matters Rs 853.51 lakhs. (Previous Year Rs. 853.51 lakhs)
  - b) Disputed demands of Rs 129.98 lakhs in respect of various orders passed by Central Excise / Income Tax authorities (Previous year Rs.144.31 lakhs) for which appeals are made.
- (2) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs 1117.91 lakhs (Previous Year Rs.1646.34 lakhs )
- (3) In the opinion of the Board, Current Assets, Loans and Advances (including Capital Advances) have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.
- The accounts of certain Sundry Debtors, Sundry Creditors, Advances and Lenders are subject to confirmation / reconciliation and adjustments, if any, the management does not expect any material difference affecting the current year's financial statements.
- (4) Borrowing cost adjusted in the carrying cost of fixed assets during the year is Rs 47.85 lakhs (Previous year Rs.Nil)
- (5) Consequent upon the adoption of the Companies (Accounting Standards) Rules 2006 with effect from 1st April,2007 the following changes in accounting policy/ estimate have been made during the year:
- The Central Government vide notification dated 31st March 2009 has amended Accounting Standard (AS - 11) "The Effects, Changes in Foreign Exchange Rates". In view of this, gain on account of Exchange differences of Rs. 131.95 lakhs ( Previous year Rs 290.76 lakhs Loss ) relating to various outstanding Foreign Currency Letter of Credit Liability / Buyers Credit for the year 2009-10 has been adjusted in the cost of Assets.

### (6) Micro, Small and Medium Enterprises :

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 "The Act" are given as follows:

(Rs. in lakhs)

Particulars	2010	2009
(a) Principal amount due to suppliers under the Act	6.12	1.15
(b) Interest accrued and due to suppliers under the Act, on the above amount	—	—
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year.	—	—
(d) Interest paid to suppliers under the Act (other than section 16)	—	—
(e) Interest paid to suppliers under the act, (section 16)	—	—
(f) Interest due and payable to suppliers under the Act, for payments already made	—	—
(g) Interest accrued and remaining unpaid at the end of the year to suppliers under the Act	—	—

**Note :** The information has been given in respect of such vendors to the extent they could be identified as " Micro,Small and Medium Enterprises on the basis of information available with the Company.

- (7) The Company is primarily engaged in the segment of printing & packaging and there are no reportable segments as per Accounting Standard 17.
- (8) List of Related Parties with whom the Company has entered into transactions during the year in ordinary course of business.

#### List of Related Parties :

##### 1) Associates :

Accura ReproTech Pvt. Ltd.

##### 2) Enterprises in which control / Significant influence exist :

Narmada Fintrade Limited

Genus Trading & Mercantile Pvt. Ltd

TCPL Helios India Pvt Ltd

##### 3) Key Management Personnel

(a) Mr. Saket Kanoria, Managing Director

(b) Mr. K. K. Kanoria, Whole-time Director

**Transactions with related parties**

(Rs. in lakhs)

**A) Enterprises in which control / Significant influence exist :**
**Accura ReproTech Pvt Ltd**

Advance given	<b>45.88</b>	56.92
Services availed	<b>160.62</b>	153.23
Balance Outstanding	<b>30.52</b>	28.28

**Narmada Fintrade Limited**

Interest	<b>1.96</b>	1.3
Issue of Shares	<b>52.5</b>	—
Upfront payment for issue of Warrants	—	—
Loan Repaid	<b>121</b>	76.1
Loan Taken	<b>111.5</b>	85.6
Balance Outstanding	—	9.5

**TCPL Helios India Pvt Ltd**

Sale of Finished Goods	<b>80.08</b>	121.86
Balance Outstanding	—	49.93

**B) Key Management Personnel :**

Nature of Transactions  
Expenses :

Remuneration

Referred in 2(a)&(b) above	Referred in 2(a)&(b) above
<b>80.55</b>	68.69

**Note :** Related party transactions have been identified by the management and relied upon by the auditors.

**(9) Calculation of Basic & Diluted Earnings Per Share :**
**Basic :**

Numerator : Profit after tax (Rs.in lakhs)	<b>443.30</b>	346.80
Denominator : Weighted Average number of equity shares outstanding during the year	<b>7869667</b>	7722955
Earnings per share in rupees - Basic (Rs.)	<b>5.63</b>	4.49

**Diluted :**

Numerator : Profit after tax (Rs.in lakhs)	<b>443.30</b>	346.80
Denominator : Weighted Average number of equity shares outstanding during the year	<b>7987546</b>	7767879
Earnings per share in rupees - Diluted (Rs.)	<b>5.55</b>	4.46
Nominal value of equity share (Rs.)	<b>10</b>	10

(10) For the year ended 31<sup>st</sup> March, 2010, the Company has accounted for Deferred Tax Asset of Rs. 35.23 lakhs (Previous Year Rs. 35.55 lakhs as Deferred Tax Liability). Deferred Tax Liability included in the Balance Sheet comprises of the following :

	31.03.10	(Rs in lakhs) 31.03.09
<b>Deferred Tax Liability</b>		
1. Depreciation	705.81	741.58
<b>Deferred Tax Assets</b>		
1. Expenses covered u/s 43B	65.64	58.16
2. Others	—	8.03
Total Deferred Tax Assets	65.64	66.19
Net Deferred Tax Liability	640.17	675.39

(11) Tax provision for earlier years of Rs 93.50 lakhs is on account of tax liability arising on account of short provision, disallowances at the time of assessments.

(12) Details of utilisation of funds received on preferential allotment of equity shares :

	01.04.09 to 31.03.10	(Rs. in lakhs) 01.04.08 to 31.03.09
Issue proceeds / Forfeiture of deposit received from warrant holder	105.00	14.40
Less : Utilised :		
For funding capital expenditure at Haridwar / Silvassa	105.00	
For strengthening working capital position		14.40
Balance	—	—

(13) Disclosure regarding Derivative Instruments

- a) The Company has used foreign currency forward contract to hedge its risks associated with foreign currency fluctuations relating to certain firm commitment and highly probable forecast transactions.  
Details of outstanding Forward Exchange Contracts entered into by the Company:

As at	No. of Contract	Type	US \$ equivalent In lakhs	INR equivalent Rs in lakhs
31.03.10	4	BUY	58.53	2632.61
31.03.09	—	—	—	—

- b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

- i) Amount receivable in foreign currency on account of the following:

	Current Year		Previous Year	
	US \$ equivalent In lakhs	INR equivalent Rs in lakhs	US \$ equivalent In lakhs	INR equivalent Rs in lakhs
Debtors	8.82	396.70	7.53	371.77

- ii) Amount payable in foreign currency on account of the following:

	Current Year		Previous Year	
	US \$ equivalent In lakhs	INR equivalent Rs in lakhs	US \$ equivalent In lakhs	INR equivalent Rs in lakhs
Creditors	0.46	20.71	1.23	61.54
Loans payable	2.53	113.8	43.62	2219.52

**(14) Employment benefits:**

**a) Defined Contribution Plan:**

Company's contribution to Provident Fund Rs 56.30 lakhs. (Previous Year 49.79 lakhs)

**b) Defined Benefit Plan:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service receives gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amount recognised in the balance sheet.

(Rs. in lakhs)

	31.03.10	31.03.09	Gratuity (Funded) 31.03.08
<b>i. Liability recognized in the Balance Sheet</b>			
Present value of obligation at beginning of the year	93.31	73.18	41.93
Interest cost	7.46	5.48	3.35
Current service cost	17.64	13.92	13.12
Benefits paid	(4.33)	—	(0.61)
Actuarial (gains) / losses on obligation	0.14	0.72	15.39
Present value of obligation at the end of year	114.22	93.31	73.18
Less:			
Fair value of plan assets as at 1st April 2009	15.91	5.93	0.76
Expected return	1.95	0.99	0.38
Contributions by employer	20.29	8.98	7.2
Benefits paid	(4.33)	—	(0.61)
Actuarial gains / (losses)	(0.14)	(0.72)	0.61
Amount recognized in Balance Sheet	80.4	77.39	64.84
<b>ii. Expenses During the year</b>			
Current service cost	17.65	13.92	13.12
Interest cost on benefit obligation	7.46	5.49	3.35
Expected return on plan assets	(1.95)	(1.00)	(0.38)
Net actuarial (gain) / loss recognised in the year	0.14	0.72	14.78
<b>Total :</b>	<b>23.3</b>	<b>19.13</b>	<b>30.87</b>
<b>iii. Actual return on plan assets</b>	<b>1.95</b>	<b>1.00</b>	<b>0.99</b>
<b>iv. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows</b>			
Investments with insurer	100%	100%	100%
<b>v. Principal actuarial assumptions</b>			
Discount rate	7.50%	7.50%	8.00%
Expected rate of return on Plan assets	9.00%	9.00%	9.00%
Salary Escalation Rate	5.00%	5.00%	5.00%

Gratuity premium is paid to LIC of India under Gratuity Scheme of LIC

In the absence of detailed information regarding Plan Assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the total fair value plan assets has not been disclosed.

The details of experience adjustments arising on account of plan assets and plan liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation statement from LIC and hence, are not furnished.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors"

(15) Additional information pursuant to the provision of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956

		2009-10	2008-09
<b>a) Capacity and Production</b>			
i) Installed Capacity (in impressions)		10100 lakhs	8288 lakhs
ii) Production of Printed Shells/Blanks & Other Materials	Quantity (in lacs)	Equivalent Impressions (in lakhs)	Quantity (in lacs) Equivalent Impressions (in lakhs)
On Sales basis	19507.74	1514.29	12700.56 1243.34
On Conversion Basis	15532.35	964.55	17929.64 897.79
<b>TOTAL</b>	<b>35040.09</b>	<b>2478.84</b>	<b>30630.20 2141.13</b>

**Note:** a) Licensed Capacity is not applicable in view of the existing Licensing Policy.

b) Installed capacities are as certified by the Management and relied upon by the Auditors, being a technical matter

b) Trading Purchase			Quantity (nos.)	Value (Rs in lakhs)	Quantity (nos.)	Value (Rs in lakhs)	
Others			—	—	—	95.85	
TOTAL			—	—	—	95.85	
c) i)	Manufacturing Sales	Quantity (in lakhs)	Equivalent Impressions (in lakhs)	Value (Rs.in lakhs)	Quantity (in lakhs)	Equivalent Impressions (in lakhs)	Value (Rs.in lakhs)
	Sale of Printed Shells/ Blanks & Other Materials						
	On Sales basis	19498.53	1503.44	15820.41	12858.55	1273.89	14156.57
	On Conversion Basis	15754.98	982.53	3789.37	18399.20	889.00	2863.01
	TOTAL	35253.51	2485.97	19609.78	31257.75	2162.89	17019.58
ii)	Trading Sales		Quantity (nos.)	Value (Rs in lakhs)		Quantity (nos.)	Value (Rs in lakhs)
	Cylinders		—	—		—	—
	Others		—	—		—	101.98
	TOTAL		—	—		—	101.98
	d)	Stock of Printed Shells/ Blanks & Other Materials	Quantity (in lakhs)	Equivalent Impressions (in lakhs)	Value (Rs.in lakhs)	Quantity (in lakhs)	Equivalent Impressions (in lakhs)
Opening Stock on Sales basis		106.44	8.54	80.02	264.43	39.09	145.72
Opening Stock on Conversion		329.41	24.38	48.45	798.97	15.59	33.80
TOTAL		435.85	32.92	128.47	1063.40	54.68	179.52
Closing Stock on Sales basis		115.65	19.39	88.26	106.44	8.54	80.02
Closing Stock on Conversion		106.78	6.40	20.58	329.41	24.38	48.45
TOTAL		222.43	25.78	108.84	435.85	32.92	128.47



		2009-10		2008-09
	Quantity (in kgs)	Value (Rs in lakhs)	Quantity (in kgs)	Value (Rs in lakhs)
e) Details of Raw Materials & Consumable Stores Consumed				
Paper & Board	21354654	7078.26	18430385	5952.31
Ink & Varnish Materials	1344444	2358.40	1243763	2121.66
Foil & Films		754.94		506.57
Others		300.30		241.73
		10491.90		8822.27
Consumable Stores & Spares		1868.62		1542.00
f) Consumption of Raw Materials and Stores Raw Materials	%	Value (Rs in lakhs)	%	Value (Rs in lakhs)
i) Imported	1.67	175.21	3.95	348.57
ii) Indigenous	98.33	10316.69	96.05	8473.70
<b>TOTAL</b>	<b>100.00</b>	<b>10491.90</b>	<b>100.00</b>	<b>8822.27</b>
Stores				
i) Imported	21.69	405.21	24.55	378.61
ii) Indigenous	78.31	1463.41	75.45	1163.39
<b>TOTAL</b>	<b>100.00</b>	<b>1868.62</b>	<b>100.00</b>	<b>1542.00</b>
g) Payment to Managing Director & to Whole Time Director				(Rs in lakhs)
i) Salaries		56.16		56.16
ii) Company's Contribution to P.F.		5.76		5.76
iii) Allowances & Perquisites		10.63		6.77
iv) Commission		8.00		—
<b>TOTAL</b>		<b>80.55</b>		<b>68.69</b>

The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the company as a whole.

**2009-10**
**2008-09**

**h) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and commission payable to the Managing Director & Whole Time Director**

		(Rs in lakhs)
Profit before Tax	<b>785.29</b>	488.04
Add: a) Provision for Depreciation as per Accounts	<b>1209.10</b>	1114.01
b) Remuneration to Managing Director & to Whole Time Director	<b>80.55</b>	68.69
c) Directors' Sitting Fees	<b>1.75</b>	1.85
d) Loss on Sale of Fixed Assets	<b>14.60</b>	4.38
	<b>2091.29</b>	1676.97
Less : Depreciation u/s.350 of Companies Act, 1956	<b>1209.10</b>	1114.01
Profit on sale of Fixed assets	<b>0.03</b>	3.31
Net Eligible profit	<b>882.16</b>	559.65
10% of Eligible Profit	<b>88.22</b>	55.97
Total Managerial Remuneration including commission	<b>80.55</b>	68.69

(Managerial remuneration paid for the current year is within the limits prescribed u/s 198 & 309 of the Companies Act, 1956 and for the previous year is in accordance with provisions of Schedule XIII of the Companies Act, 1956)

			(Rs in lakhs)
<b>i) C.I.F. Value of Imports</b>			
Capital Goods		<b>1632.86</b>	135.58
Raw Materials		<b>103.06</b>	356.59
Consumables		<b>362.94</b>	263.98
<b>j) Expenditure in Foreign Currency</b>			
Travelling & Others		<b>125.88</b>	175.16
<b>k) Earnings in Foreign Exchange Export of Goods on FOB Basis :</b>	<b>Quantity (in lakhs )</b>	<b>Value (Rs in lakhs)</b>	<b>Quantity (in lakhs ) Value (Rs in lakhs)</b>
– Sale of Finished goods-Exports	<b>2648.05</b>	<b>2337.00</b>	2133.97 2088.63

**(16)** Previous Year's figures have been re-arranged and regrouped wherever considered necessary.

As per our Report of even date attached

For and on behalf of Board of Directors

For and on behalf of  
**Shah Gupta and Co.**  
Chartered Accountants

Vipul K.Choksi,  
Partner

C.M.Maniar, Director

Atul Sud, Director

Sudhir A. Merchant, Director

S.K.Kanoria, Managing Director

Place : Mumbai

K.K.Kanoria, Whole-time Director

Dated : 27<sup>th</sup> May, 2010

S.G.Nanavati, Company Secretary

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No. 018-44505

Balance Sheet date 31st March, 2010

State Code 11

### II. Capital raised during the Year (Rupees in lacs)

Public Issue

NIL

Preference Issue

NIL

Bonus Issue

NIL

Private Placement

105.00

### III. Position of Mobilisation and Deployment of Funds (Rupees in lacs)

Total Liabilities

13584.98

Total Assets

13584.98

#### Sources of Funds (Rupees in lacs)

Paid-up Capital

870.00

Reserves & Surplus

4452.79

Secured Loans

7622.02

Unsecured Loans

—

Deferred Tax Liability

640.17

#### Application of Funds (Rupees in lacs)

Net Fixed Assets

10570.72

Investments

NIL

Net Current Assets

3014.26

Misc.Expenditure

NIL

Accumulated Losses

NIL

### IV. Performance of Company (Rupees in lacs)

Turnover(Total Income)

19845.79

Total Expenditure

19060.50

Earnings per Share in Rs.

5.63

+/- Profit/Loss Before Tax

+ 785.29

+/- Profit/Loss After Tax

+ 443.30

Dividend Rate %

15.00

### V. Generic Names of Three Principal Products/Services

Item code  
(ITC Code)

1. 48239009

No. Product  
Description

Others Paper

As per our Report of even date attached

For and on behalf of  
**Shah Gupta and Co.**  
Chartered Accountants

Vipul K.Choksi,  
Partner

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2010

For and on behalf of Board of Directors

C.M.Maniar, Director

Sudhir A. Merchant, Director

K.K.Kanoria, Whole-time Director

Atul Sud, Director

S.K.Kanoria, Managing Director

S.G.Nanavati, Company Secretary



Registered Office : Shiv Smriti, 49, Dr. Annie Besant Road, Worli, Mumbai-400018

### PROXY FORM

Twenty-Second Annual General Meeting – 2010

Reg. Folio No./Client ID No. \_\_\_\_\_

I / We \_\_\_\_\_ of

\_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ being a member / members of the above named Company hereby

appoint \_\_\_\_\_ of

\_\_\_\_\_ or failing him \_\_\_\_\_

\_\_\_\_\_ in the district of \_\_\_\_\_

as my / our proxy to vote for me / us on my / our behalf at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company to be held on 21<sup>st</sup> September, 2010 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signature

Re. 1  
Revenue  
Stamp

NOTES : This form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



Registered Office : Shiv Smriti, 49, Dr. Annie Besant Road, Worli, Mumbai-400018

### ATTENDANCE FORM

Twenty-Second Annual General Meeting – 2010

Reg. Folio No./Client ID No. \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company at "SUNVILLE DELUXE" PAVILLION, 9, Dr. Annie Besant Road, Worli, Mumbai-400018 on 21<sup>st</sup> September, 2010 at 10:30 A.M.

Member's / Proxy's name in BLOCK letters

Member's / Proxy's Signature

**Note :** Please fill in this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.

BOOK-POST

*If undelivered, please return to :*



Shiv Smriti,  
49, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018.