
**Twenty-Third
Annual Report
2010-2011**



BOARD OF DIRECTORS

Sajjan Jindal, Chairman

Pradip Kumar Khaitan

C.M.Maniar

Sudhir Merchant

Atul Sud

K.K.Kanoria, Whole-Time Director

Saket Kanoria, Managing Director

S.G.Nanavati, Executive Director

SECRETARY

S.G.Nanavati

AUDITORS

Shah Gupta & Co.

Chartered Accountants

REGISTERED OFFICE

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

Tel : +91 22 66606006

Fax : +91 22 24935893

Email : info@tcpl.in

Website : www.tcpl.in

FACTORIES :

SILVASSA :

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

Fluted Carton Unit :

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

HARIDWAR :

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

FINANCIAL DATA/ OPERATING PERFORMANCE FOR THE LAST 10 YEARS

(₹ in Lacs)

| Particulars | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Capital Employed: | | | | | | | | | | |
| Net Fixed Assets | 3974.61 | 3996.68 | 4116.06 | 4815.03 | 6435.49 | 6956.36 | 9551.38 | 9175.88 | 10570.72 | 12006.81 |
| Net Current Assets | 1408.61 | 1339.51 | 1128.66 | 805.16 | 878.1 | 1168.29 | 2125.61 | 2945.22 | 3014.26 | 3275.51 |
| Total | 5383.22 | 5336.19 | 5244.72 | 5620.19 | 7313.59 | 8124.65 | 11676.99 | 12121.10 | 13584.98 | 15282.32 |
| Financed by: | | | | | | | | | | |
| Shareholders' Fund | 2139.09 | 2206.61 | 2304.76 | 2510.49 | 2935.39 | 3286.83 | 4666.62 | 4844.42 | 5322.79 | 5979.67 |
| Long Term Loans | 1908.51 | 1769.91 | 1626.27 | 1597.96 | 3228.34 | 3574.23 | 5672.81 | 5468.88 | 6186.82 | 6469.89 |
| Working Capital Loans | 641.90 | 700.15 | 576.39 | 728.96 | 497.04 | 500.08 | 697.71 | 1122.90 | 1435.20 | 1976.59 |
| Unsecured Loans | 73.60 | – | 5.85 | 3.54 | – | 170.00 | – | 9.50 | – | 100.00 |
| Deferred Tax Liability | 620.12 | 659.52 | 731.45 | 779.24 | 652.82 | 593.51 | 639.84 | 675.40 | 640.17 | 756.17 |
| Total | 5383.22 | 5336.19 | 5244.72 | 5620.19 | 7313.59 | 8124.65 | 11676.98 | 12121.10 | 13584.98 | 15282.32 |
| Sales: | | | | | | | | | | |
| Notional Turnover | 7198.00 | 7948.00 | 9458.00 | 10421.00 | 11361.00 | 13984.00 | 16217.00 | 19152.00 | 22304.00 | 28567.00 |
| Turnover | 5926.43 | 5942.64 | 7226.35 | 7769.09 | 9034.01 | 11187.39 | 13092.89 | 17121.56 | 19609.78 | 25102.55 |
| Excise | 1003.20 | 1065.41 | 1244.61 | 1237.49 | 1275.05 | 1279.16 | 1427.80 | 1399.32 | 997.82 | 1413.09 |
| Net Turnover | 4923.23 | 4877.23 | 5981.74 | 6531.60 | 7758.96 | 9908.23 | 11665.09 | 15722.24 | 18611.96 | 23689.46 |
| Of Which: Exports | 78.81 | 230.13 | 479.40 | 1053.79 | 1789.13 | 2150.23 | 2210.06 | 2088.63 | 2337.00 | 3101.39 |
| EBIDTA | 844.50 | 868.26 | 928.51 | 959.27 | 1157.70 | 1467.45 | 1723.16 | 2331.31 | 2742.27 | 3477.19 |
| Interest | 189.06 | 347.77 | 305.54 | 247.82 | 320.19 | 423.06 | 544.27 | 729.28 | 662.78 | 983.75 |
| Foreign Exchange Fluctuation | – | – | – | – | – | – | – | 49.63 | 85.10 | 62.09 |
| Cash Profit | 655.44 | 520.49 | 622.97 | 711.45 | 837.51 | 1044.39 | 1178.89 | 1602.03 | 1994.39 | 2431.35 |
| Depreciation | 236.08 | 347.00 | 368.84 | 394.85 | 499.41 | 661.97 | 816.90 | 1114.01 | 1209.10 | 1462.54 |
| Profit before tax | 419.36 | 173.49 | 254.13 | 316.60 | 338.10 | 382.42 | 361.99 | 488.04 | 785.29 | 968.81 |
| Profit after tax | 270.97 | 120.59 | 162.66 | 231.52 | 418.11 | 308.72 | 292.34 | 346.80 | 443.30 | 628.70 |
| Dividend amount | 50.00 | 56.41 | 67.69 | 88.19 | 93.22 | 100.38 | 134.25 | 134.25 | 139.93 | 145.57 |
| Earning Per Share (Amt. in ₹) | 5.42 | 2.41 | 3.25 | 4.45 | 7.80 | 5.49 | 4.33 | 4.49 | 5.66 | 7.69 |
| Dividend Per Share (Amt. in ₹) | 1.00 | 1.00 | 1.20 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of TCPL Packaging Limited will be held on Wednesday, 30th June, 2011 at 4.30 pm 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 31st March, 2011, and the Profit and Loss Account for the year ended 31st March, 2011, and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. C M Maniar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradip Kumar Khaitan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. 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 the Board of Directors of the Company of such mortgages, hypothecation, lien, charges and encumbrances on the fixed assets of the Company in favor of the Company's bankers or any other lenders, to sell, lease or otherwise to dispose off the whole or substantially the whole of the Company's Undertaking to secure the repayment of Term Loan of such amount not exceeding ₹ 125.00 crores sanctioned by the Company's bankers or any other lenders together with interest thereon including the loans for which the charge have already been created
"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to finalise the documents to be entered with respective bank/banks/other lenders 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."
7. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution
RESOLVED THAT in supersession to the earlier Resolution passed at the Company and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Company's Act, 1956 the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money on such terms and conditions and with or without security which together with money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in ordinary course of business) may exceed the aggregate, for the time being, of the paid-up Capital of the Company and its free reserves that is to say reserves not set apart for any specific purposes, provided that maximum amount of money so borrowed by the Board shall not exceed the limit of ₹ 125.00 crores (Rupees One Hundred Twenty Five Crores).
8. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 314(1B) & 350, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given for appointment of Mr. S G Nanavati as Executive Director, with effect from 01st June, 2011, subject to terms and conditions as set out in the Agreement dated 30th May, 2011, entered into by the Company with him.
9. To consider, and if thought fit, to pass the following resolution as a Special Resolution:
RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchanges where the shares are listed, pursuant to the provisions of Chapter VII – Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations 2009 (hereinafter called the SEBI Regulations 2009) as in force, SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997 and subject to all other applicable rules, regulations and guidelines of SEBI and subject to necessary approvals, consents, permissions, and/or sanctions, if any of SEBI and Stock Exchanges, Banks and all other concerned authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission and/or sanction which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute exercising the powers including the powers conferred in this resolution, the Board be and is hereby authorised to create, offer, issue and allot from time to

time in one or more trenches, upto 5,50,000 Warrants on preferential basis be issued to the Promoters /Promoters Group Companies entitling the holder of each Warrant to apply for and obtain allotment of one Equity Share of ₹10 each, against such Warrant, at a premium of ₹40/- per Equity Share in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI Regulations 2009 and other provisions of the Law as may be prevailing at that time.

RESOLVED FURTHER THAT the "relevant date" for the issuance of Warrants as aforesaid as per the provisions of Chapter VII – Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations 2009 as amended upto date, will be 30/05/2011 i.e. 30 days prior to the date of this Twenty Third Annual General Meeting to be held on 30/06/2011.

RESOLVED FURTHER THAT the Equity Shares allotted on conversion of Warrants in terms of this Resolution, shall rank pari passu in all respects with the existing Equity Shares of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT Warrants and the Equity Shares to be allotted on conversion of Warrants in terms of this Resolution shall be subject to lock in requirement as per the provisions of Chapter VII of the SEBI Regulations 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorised to take all actions and do all such acts, deeds, matters and things as may be considered necessary, appropriate or desirable to issue or allotment of the aforesaid Warrants and listing of Equity Shares on conversion of Warrants with the Stock Exchange(s) as appropriate.

RESOLVED FURTHER THAT to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of Warrants, any of the Equity Shares on conversion of Warrants, utilisation of the issue proceeds and to do all acts, deeds, things in connection therewith and incidental thereto at the Board may in its absolute discretion deemed fit without being required to seek any further consent or approval of the members.

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

RESOLVED THAT "relevant date" for issue of 700000 Warrants of ₹ 40/- each allotted pursuant to the Special Resolution passed at the Extraordinary General Meeting of the Company held on 30th November, 2009 be treated and considered in all respects as 30th May, 2011, i.e. 30 days prior to the date of the Twenty Third Annual General Meeting to be held on 30th June, 2011.

RESOLVED FURTHER THAT 700000 Equity Shares of ₹ 10/- each issued and allotted on conversion of the Warrants aforesaid, shall rank pari passu in all respects with the other existing Equity Shares of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT 700000 Equity Shares of ₹ 10/- each issued and allotted on conversion of the Warrants aforesaid shall be subject to lock in requirement as per the provisions of Chapter VII of the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, hereinafter referred to as the SEBI Regulations, 2009.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to resolve and settle all questions and difficulties that may arise in relation to the issue and allotment of 700000 Warrants, allotment of 700000 Equity Shares of ₹ 10/- each on conversion of the Warrants and/or utilisation of the issue proceeds and to do and perform all such further acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its sole and absolute discretion deemed fit without being required to seek any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorised to do and perform all such further acts, deeds, matters and things as may be considered necessary, appropriate or desirable for or in relation to issue and allotment of the aforesaid 700000 Warrants, allotment of 700000 Equity Shares of ₹ 10/- each on conversion of Warrants and listing of such Equity Shares (as allotted on conversion of the Warrants) on the Stock Exchange(s)".

By Order of the Board

S.G.Nanavati
Company Secretary

Registered Office :

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

Dated: 30th May 2011

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 20th June, 2011 to 30th June, 2011 (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 20th June, 2011, 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 mandates) whose names are in the Company's Register of Members on 20th June, 2011, subject to the provisions of Section 206A of the Companies Act, 1956. In respect of shares held in electronic form (dematerialized 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.
6. Members are requested to inform the Company or its transfer agents, their email id, for receiving Annual accounts through email. Such request may be sent to Company's dedicated e-mail as under: shareholder@tcpl.in

EXPLANATORY STATEMENT

Item No.6 of the Agenda – Pursuant to Section 293(1)(a)

The Company requires Term Loan/s from bank/s and other private parties/lenders from time to time. These loans are secured by creation of charge on the Fixed Assets of the Company. To enable the Board of Directors to create mortgages, hypothecation, lien, charges and encumbrances on the Fixed Assets of the Company from time to time up to ₹ 125.00 crores, including the loans which have already been availed till the date by the Company for which the security has been already created, Resolution as set out under item No.6, is therefore recommended as an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, for availing the Term Loan/s from time to time from banks and other private parties /lenders.

Item No.7 of the Agenda – Pursuant to Section 293(1)(d)

The present borrowing power under section 293(1)(d) of the Companies Act, 1956, is ₹ 100.00 crores. The Resolution is proposed in view of the Company's requirement of additional borrowing from time to time in excess of the present limit of ₹ 100.00 crores but not exceeding ₹ 125.00 crores. The Directors recommend the passing of Ordinary Resolution of Item No.7 of the accompanying notice under section 293(1)(d) of the Companies Act, 1956.

Item No.8 of the Agenda – Pursuant to provisions of Sections 198, 269, 309, 314(1B) & 350 and Schedule XIII

The Board of Directors has appointed Mr. S G Nanavati, as Additional Director, at its meeting held on 30th May, 2011 with an immediate effect. At the same Board meeting the Board of Directors has also approved the appointment and remuneration of Mr. Nanavati as Executive Director of the Company with effect from 01st June, 2011, for a period of 3 years, subject to the approval of Shareholders at the next meeting i.e. Twenty Third Annual General Meeting of the Company.

The Resolution passed in this regard by the Board of Directors at the meeting held on 30th May, 2011, is kept open for inspection by the Shareholders of the Company, at its registered office between 10 a.m. to 12 noon at any working day of the Company.

The terms and conditions of the appointment and remuneration are as follows:

TERM OF APPOINTMENT

3 years with effect from 01st June, 2011 to 30th May, 2014

REMUNERATION

Salary: As per grade given below:

Salary Grade: Basic Salary ₹ 70,000/- p m – ₹ 1,00,000/- p m

Performance Linked Bonus in the grade of - ₹ 1,00,000/- p m – ₹ 2,00,000/- p m.

Increment: As may be decided by the Board of Directors / Remuneration Committee of Directors from time to time within the above grade

PERQUISITES AND ALLOWANCES:

1. Medical Reimbursement – Expenses incurred of self and family subject to limit of one month's basic salary per annum.
2. Leave Travel Concession / Allowance – for self and family subject to limit of one month's basic salary per annum.
3. Bonus or ex-gratia payment in accordance with the Rules and Regulations of the Company,
4. Entertainment and newspaper and periodicals allowance, medical insurance etc. in accordance with the Rules and Regulations of the Company or as agreed by the Board of Directors.

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 car and driver for use on the Company's business and telephone(s) or residence (including payment for local calls and long distance 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. Nanavati, 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. Nanavati will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.

Mr. Nanavati shall give an undertaking to the Company that he shall not so long as he functions as Executive 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. Nanavati 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 Agreement by giving not less than 3 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. Nanavati has the approval of the Remuneration Committee.

Mr. Nanavati may be considered to be interested in passing of the Resolution as it relates to his appointment as Executive Director and remuneration.

The Agreement proposed to be entered into with Mr. Nanavati 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 up to and including the date of the meeting. A statement containing the requisite information as per section II Para 1(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.

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. Thereafter, the Company increased its capacity for a period of time.

3) Financial Performance

The Company has achieved a turnover of ₹ 251.03 crores and Net Profit of ₹ 628.70 lakhs during the year 2010-11.

4) Export Performance

The Company has achieved an export turnover of ₹ 31.01 crores during the year 2010-11

5) Foreign Investment

As on 31.03.2011 the Company has foreign investment of 8,49,866 equity shares of the Company. Out of which, FII holds 7,50,000 equity shares and 99,866 equity shares are held by NRI shareholders.

II) Information about the appointee:

1) Background details

Mr. S G Nanavati is working in the Company since 1989. He is Chartered Accountant and Company Secretary. He is currently 55 years old. In view of his experience in Finance, Legal and General Administration matters, he has been appointed as an additional director on the Board, at the meeting of Board of Directors held on 30th May, 2011. He has also been appointed as an Executive Director from 01st June, 2011 for a period of 3 years, subject to Members permission.

His terms of remuneration are as under:

Salary: Basic Salary ₹ 70,000/- p m – ₹ 1,00,000/- p m

Performance Linked Bonus in the grade of - ₹ 1,00,000/- p m – ₹ 2,00,000/- p m.

Perquisites and Allowances like Medical Reimbursement, Leave Travel Concession / Allowance, both subject to limit of one month's basic salary per annum, Bonus or ex-gratia payment in accordance with the Rules and Regulations of the Company, Entertainment and newspaper and periodicals allowance, medical insurance etc. in accordance with the Rules and Regulations of the Company and as agreed by the Board of Directors.

Retirement Benefits such as Company's contribution to Provident Fund or Superannuation or Annuity Fund and Gratuity payable in accordance with the Rules and Regulations of the Company.

2) Job Profile

On appointment as Executive Director, Mr. Nanavati will be devoting his time for general administration, legal compliances, long term and short term financial arrangement of funds for the Company and such other activities as may be delegated to him from time to time.

3) Remuneration proposed

The Board of Directors have approved the remuneration viz monthly salary in the grade of ₹ 70,000/- p m – ₹ 1,00,000/- p m, Performance Linked Bonus in the grade of - ₹ 1,00,000/- p m – ₹ 2,00,000/- p m and perquisites and allowances, aggregate value of which will exceed to ₹ 24,00,000/- per annum but within the limit of ₹ 42,00,000/- per annum which is in accordance with section II 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 the period 1.4.2011 – 31.03.2015

- 4) The Remuneration proposed is comparative with reference to industry, turnover of the Company considering multi locational manufacturing setup and job profile of the Executive Director.

III) Other information

The Company is profit making organization and does not have losses. However, the proposed remuneration 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 various banks and private companies. The repayment of loans to the bankers and private party lenders is being made as per the term loan repayment schedules. The payment of interest is also being made in time and the company has not made any default in repayment of any of its debts or delayed payment of interest.

Explanatory statement

UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.9 of the Agenda

The Company has issued 5,50,000 Warrants to the Promoters/Promoter Group Companies in view of the growth of the business and for strengthening the long term working capital position in November 2010. However, due to explanation inserted after 1st Proviso to the Regulations 72(2) of the SEBI Regulations 2009, the Company had to cancel these Warrants. Since the Company required to induct long term funds by way of Promoters contribution to strengthen the long term working capital position, the Board of Directors in their meeting held on 30th May 2011 decided issuance of upto 5,50,000 Warrants on a preferential basis to the Promoters / Promoters Group Company entitling the holder of each Warrant to apply for and obtain allotment of one Equity Share at a premium of ₹ 40/- each, against such Warrant in accordance with the provisions of Chapter VII – Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations 2009.

The details of the issue and other particulars as required in the Preferential Issue Guidelines in relation to the resolution proposed are given as under :

i. Objects of the Issue :

To bring in the Promoters contribution by way of Equity to strengthen the working capital position.

ii. Securities to be issued :

The resolutions set out at Item No.9 of the accompanying Notice entitled the Board to issue the Warrants to the Promoters/Promoter Group Companies. The Warrants will entitle the Allottees to apply for and obtain allotment of Equity Shares in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI Regulations 2009.

iii. Relevant Date :

The Relevant Date for the purpose of determining the price of the Warrants in accordance with SEBI Regulations 2009 will be 30th May, 2011 i.e. 30 days prior to the date of Annual General Meeting to be held on 30th June, 2011.

iv. Terms of Issue of Warrants to Promoters :

1. The proposed Allottees of Warrants shall, on the date of allotment, pay an amount equivalent to at least 25% of the total consideration per warrant.
2. The holders of each Warrant will be entitled to apply for and obtain allotment of one Equity Share against such Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. The holders of the Warrants, at the time of exercise of entitlement, shall pay the balance of the consideration towards the subscription to each Equity Share.

3. In case of the Warrant holders do not exercise their entitlement to apply for the Equity Shares of the Company during the stipulated period of 18 months, from the date of issue and allotment of Warrants, the amount paid by the Warrant holders shall stand forfeited.
4. Upon receipt of the requisite payment as above, the Board shall allot one Equity Share per Warrant by appropriating ₹10/- towards Equity Share capital and the balance amount paid against each Warrant, towards the security premium.
5. The Warrant by itself till converted into Equity Share, does not give to the holder(s) thereof any rights of the Shareholders of the Company.
6. The Equity Shares, which will be issued, as above, shall rank pari passu in all respects with the then existing fully paid up Equity Shares of the Company subject however to the provisions of the Memorandum and Articles of Association of the Company.
7. The proposed Allottees are the Body Corporates under the Promoters Group which intend to subscribe to the offer pursuant to this resolution on the terms described above. The Directors and Key Management Personnel do not intend to subscribe the offer pursuant to this resolution.

v. Lock-in:

The Warrants issued under the above Preferential Issue and Equity Shares allotted once, such Warrants are converted into Shares shall be locked-in for a period of three years from the date of allotment. The lock-in on the shares allotted on exercise of option attached to Warrants, shall be reduced to the extent the Warrants have already been locked-in. The entire pre-preferential allotment Shareholding of the Allottee of Warrants shall be locked-in from the relevant date upto a period of six months from the date of allotment of Warrants.

vi. Particulars of subscribers to Equity Shares and Warrants :

The Promoters / Promoter Group Companies intend to subscribe for 5,50,000 Warrants under this Preferential Issue.

vii Under subscription, if any

In the event of any of the warrant holder not subscribing all or any of the Equity Shares relating to the Warrants, the Board may, in its absolute discretion, offer such Equity Shares to any other person/or a company amongst the promoters, their associates or associate companies on the same terms and conditions.

viii. Shareholding Pattern

The Shareholding patterns giving the present position as also full allotment of Warrants to the Promoters /Promoter Group Companies in terms of Equity Shares arising out of the conversion thereof, as per Resolution of the Notice are given below :

| Category of Shareholders | Present Holding Shares | % | Pending Warrants | Total No of Shares on conversion of proposed warrants | % | Proposed Warrants | Total No of Shares on conversion of proposed Warrants | % |
|---------------------------------|------------------------|---------------|------------------|---|---------------|-------------------|---|---------------|
| Promoters holding | 3886829 | 46.55 | 350000 | 4236829 | 48.70 | 550000 | 4786829 | 51.75 |
| Bodies Corporates | 1414641 | 16.94 | – | 1414641 | 16.26 | – | 1414641 | 15.29 |
| Foreign Institutional Investors | 750000 | 8.98 | – | 750000 | 8.62 | – | 750000 | 8.11 |
| Non Resident Individuals | 99865 | 1.20 | – | 99865 | 1.15 | – | 99865 | 1.08 |
| Indian Public | 2148417 | 25.73 | – | 2148417 | 24.69 | – | 2148417 | 23.23 |
| Others | 50248 | 0.60 | – | 50248 | 0.58 | – | 50248 | 0.54 |
| Total | 8350000 | 100.00 | 350000 | 8700000 | 100.00 | 550000 | 9250000 | 100.00 |

The percentage of post preferential issue of capital that may be held by the proposed Allottee is as follows:

| Name of proposed Allottee | Total No. of Shares | % age of total voting rights | Shares to be held on allotment of Equity Shares on conversion of pending 3,50,000 Warrants | % | Shares to be held on allotment on allotment of Equity Shares on conversion of Warrants (of 5,50,000 Warrants) | % |
|---------------------------|---------------------|------------------------------|--|-------|---|-------|
| Accuraform P Ltd | 622373 | 7.45 | 972373 | 11.18 | 1172373 | 12.67 |
| Narmada Fintrade Ltd | 647816 | 7.76 | 647816 | 7.45 | 997816 | 10.79 |

ix. Currency of Resolution

The allotment of Warrants as aforesaid shall be made within 15 days from the date of passing the resolution of the Shareholders granting consent for preferential issue.

The certificate of the Auditors to the effect that the present preferential allotment is being made in accordance with the guidelines for preferential issues under SIBI Regulations 2009 shall be placed at the meeting.

Your Directors recommend the Resolutions for your approval.

All the Directors in Promoter Group Companies are concerned or interested in the above referred Resolution and may be considered as concerned or interested in this resolution to the extent of Warrants to be issued and allotted to and the Equity Shares to be allotted to it on conversion of Warrants by virtue of the above Resolution.

Item No. 10 of Agenda

The Company has issued 700000 Warrants of ₹ 40 each to a Promoter Group Company, pursuant to the Special Resolution passed at the Extraordinary General Meeting of the Company held on 30th November, 2009. Thereafter, these Warrants have been converted into 700000 Equity Shares of ₹ 10/- each at a Premium of ₹ 30/- per Share in two tranches. However, since the Allottee of the Warrants and Equity Shares held part of its holding in physical form, pending the approval of Bombay Stock Exchange for Listing of the Equity Shares, to comply with the relevant provisions of Chapter VII of SEBI Regulations, 2009, in consultation with Bombay Stock Exchange, the relevant date for the purpose of pricing of 700000 Equity Shares allotted/to be allotted should be treated and considered in all respects as 30th May, 2011, i.e. 30 days prior to the date of the Twenty Third Annual General Meeting to be held on 30th June, 2011.

The relevant details of issue of the aforesaid Warrants and Equity Shares allotted/to be allotted on conversion of Warrants, as required by the Preferential Issue Guidelines, SEBI Regulations, 2009, in relation to the Resolution passed earlier and as applicable for the proposed Resolution, are given as under:

i. Objects of the Issue:

To bring in the Promoters contribution by way of Equity to strengthen the working capital position of the Company.

ii. Securities issued:

The Resolution contained in at Item No.10 of the accompanying Notice relates to the Issue of 700000 Warrants to a Promoter Group Company pursuant to the Special Resolution passed at the Extraordinary General Meeting of the Company held on 30th November, 2009. These Warrants entitled the Allottee to apply for and obtain allotment of 700000 Equity Shares of ₹ 10 each at a premium of ₹ 30 per Share, in such manner and at such price and upon such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI Regulations, 2009. As mentioned in the following paragraph, in view of the revision in the relevant date to be treated and considered as 30th May, 2011, the price has been revised from ₹ 40 per Warrant to ₹ 44.70 per Warrant. Accordingly the sum of money to be paid on allotment of Equity Shares should be ₹ 44.70 against ₹ 40 paid by the Allottee and the Allottee shall pay additional sum of ₹ 4.70 per Equity Share for 700000 Equity Shares allotted.

iii. Relevant Date:

The Relevant Date for the purpose of determining the price of the Warrants in accordance with SEBI Regulations 2009 will be 30th May 2011 i.e. 30 days prior to the date of Twenty Third Annual General Meeting to be held on 30th June, 2011.

iv Terms of Issue of Warrants to Promoters :

1. The Allottee of the Warrants paid 25% of total purchase price of each Warrant on allotment thereof and the balance of 75% on conversion of each Warrant into Equity Shares. Accordingly the Allottee has paid ₹ 40/- per

Share. In view of the revision in price due to new relevant date the Allottee will pay an additional sum of ₹ 4.70 per Equity Share.

2. The holder of each Warrant should be entitled to apply for and obtain allotment of one Equity Share against such Warrant at any time after the date of allotment, but on or before the expiry of 18 months from the date of allotment, in one or more tranches. The holder of the Warrants, at the time of exercise of entitlement, shall pay the balance of the price towards the subscription to each Equity Share.
3. In case the Warrant holder does not exercise its entitlement to apply for the Equity Shares of the Company during the stipulated period of 18 months, from the date of issue and allotment of the Warrants, the amount paid by the Warrant holder shall stand forfeited.
4. Upon receipt of the requisite sum of money as above, the Board of Directors has allotted one Equity Share per Warrant by appropriating ₹10/- towards Equity Share capital and the balance amount of ₹ 30/- paid against each Warrant, towards the security premium. In view of the new price determined @ ₹ 44.70 per Share the Allottee would pay additional sum of ₹ 4.70 per Equity Share.
5. The 700000 Equity Shares issued as above, rank pari passu in all respects with the other existing fully paid up Equity Shares of the Company, subject however to the provisions of the Memorandum and Articles of Association of the Company.
6. The Allottee is a Company under the Promoter Group.

v. Lock-in Period:

The 700000 Warrants issued under the above Preferential Issue and 700000 Equity Shares allotted are subject to lock-in for a period of three years from the date of allotment. The lock-in period for the Shares allotted on exercise of option attached to Warrants, shall be reduced to the extent of the period for which Warrants have already been locked-in. The entire pre-preferential allotments Shareholding of the Allottee of Warrants was subject to lock-in from the relevant date upto a period of six months from the date of allotment of Warrants.

vi. Particulars of subscribers to Equity Shares and Warrants:

The Promoter Group Company has subscribed for 700000 Warrants under this Preferential Issue and paid the balance amount payable on conversion of Warrants into Equity Shares. It has also agreed to pay the additional sum of ₹ 4.70 per Equity Share.

vii. Shareholding Pattern

The Shareholding pattern giving the position before the allotment of Warrants and subsequent to the allotment of Equity Shares on conversion of Warrants are given below :

| Pre Allotment | | | | Post Allotment | |
|---------------------------------|---|---------------|--|---|---------------|
| Category of Shareholders | Holding of Shares conversion before issue of Warrants | Percentage | Allotment of Equity Shares on conversion of Warrants | Total No of Shares on conversion of proposed Warrants | Percentage |
| Promoters holding | 3489798 | 43.62 | 700000 | 4189798 | 48.16 |
| Bodies Corporates | 1420448 | 17.76 | — | 1420448 | 16.33 |
| Foreign Institutional Investors | 750000 | 9.38 | — | 750000 | 8.62 |
| Non Resident Individuals | 96504 | 1.21 | — | 96504 | 1.11 |
| Indian Public | 2227863 | 27.84 | — | 2227863 | 25.60 |
| Others | 15387 | 0.19 | — | 15387 | 0.18 |
| Total | 8000000 | 100.00 | 700000 | 8700000 | 100.00 |

The percentage of post preferential issue of capital to the Allottee, is as follows:

| Name of Proposed Allottee | Total No. of Shares before issue of Warrants on conversion of Warrants | %age of total voting rights | Shares held on allotment of Equity Shares | % |
|---------------------------|--|-----------------------------|---|-------|
| Accuraform Private Ltd. | 224342 | 2.80 | 924342 | 10.62 |

viii. Currency of Resolution

The allotment of Warrant was made within 15 days from the date of passing the Special Resolution at the Extra Ordinary General Meeting of the company held on 30th November, 2009.

The certificate of the Auditors regarding revised price shall be placed at the meeting.

Your Directors therefore recommend the Special resolution for your approval.

All the Directors in Promoter Group Company are concerned or interested in the above referred Resolution and may be considered to be concerned or interested in this resolution to the extent of 700000 Equity Shares of ₹ 10/- each allotted on conversion of Warrants and change in the price by virtue of the above Resolution.

By Order of the Board

S.G.Nanavati
Company Secretary

Registered Office :

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

Dated: 30th May 2011

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 : Mr. C.M.Maniar
- Age : 75 years
- Qualification : B.Com., LL.B., MA Economics & Politics
- Expertise : Solicitor & Advocate

Other Directorships:

| S.No. | Name of the Companies | Position Held |
|-------|--|----------------|
| 1 | Amsar Private Limited | Director |
| 2 | Foods & Inns Ltd. | Director |
| 3 | Financial Technologies India Limited | Director |
| 4 | Godfrey Phillips India Ltd. | Director |
| 5 | Gujarat Ambuja Exports Limited | Director |
| 6 | Hindalco Industries Ltd. | Director |
| 7 | Indian Card Clothing Co. Ltd. | Director |
| 8 | Indo Euro Investments Co. Ltd. | Director |
| 9 | Machine Tools (India) Limited | Director |
| 10 | MCX Stock Exchange Limited | Director |
| 11 | Multi Commodity Exchange of India Ltd | Director |
| 12 | North Point Centre of Learning Pvt. Ltd. | Director |
| 13 | Pioneer Invest Corp. Ltd. | Director |
| 14 | Sudal Industries Limited | Director |
| 15 | Utkal Alumina International Limited | Director |
| 16 | Vadilal Industries Ltd. | Addl. Director |
| 17 | Varun Shipping Company Ltd | Director |

2. Name : Mr. Pradip Kumar Khaitan
- Age : 70 years
- Qualification : B.COM / LL B / ATTORNEY-AT-LAW
- Expertise : Senior Advocate

Other Directorships:

| S.No. | Name of the Companies | Position Held |
|-------|---|---------------|
| 1 | CESE Limited | Director |
| 2 | Woodlands Multispeciality Hospital Limited | Director |
| 3 | Dalmia Bharat Enterprises Limited | Director |
| 4 | Dhunseri Petrochem & Tea Limited | Director |
| 5 | Electrosteel Castings Limited | Director |
| 6 | Gillanders Arbuthnot & Co Limited | Director |
| 7 | Graphite India Limited | Director |
| 8 | Hindustan Motors Limited | Director |
| 9 | India Glycols Limited | Director |
| 10 | OCL India Limited | Director |
| 11 | Pilani Investment & Industries Corp Limited | Director |
| 12 | Visa Steel Limited | Director |

By Order of the Board

S.G.Nanavati
Company Secretary

Registered Office :

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

Dated: 30th May 2011

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting the Twenty Third Annual Report together with the audited accounts of the company for the year ended 31st March, 2011.

Financial Results

(₹ In lacs)

| Particulars | Year 2010-11 | Year 2009-10 |
|---|-----------------|-----------------|
| Gross Sales / Income from operations | 25102.55 | 19609.78 |
| EBIDTA | 3477.19 | 2742.27 |
| From which have been deducted : | | |
| Losses on account of Exchange rate differences | 62.09 | 85.10 |
| Interest / Finance charges | 983.75 | 662.78 |
| Leaving a Cash Profit of | 2431.35 | 1994.39 |
| From which have been deducted : | | |
| Depreciation | 1462.54 | 1209.10 |
| Provision for Tax and Wealth Tax (Current Year) | 224.11 | 283.72 |
| Provision for Tax (earlier years) | – | 93.50 |
| Provision for Deferred Taxation | 116.00 | (35.23) |
| Leaving a balance of | 628.70 | 443.30 |
| To which have been added : | | |
| Balance brought forward from previous year | 57.71 | 654.34 |
| Making a total of | 686.41 | 1097.64 |
| Which has been appropriated by the Directors as under : | | |
| General Reserve | 500.00 | 900.00 |
| Proposed Dividend | 125.25 | 120.00 |
| Corporate tax on dividend | 20.32 | 19.93 |
| Balance to be carried forward | 40.84 | 57.71 |
| Total | 686.41 | 1097.64 |

Dividend :

Your Directors are pleased to maintain a dividend of ₹1.50 per equity share amounting to ₹145.57 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 2010-11, the gross turnover of the Company has increased to ₹251.03 crores as against ₹196.09 crores for the previous year ended 31st March 2010 representing a growth of 28.02%. Your company has also converted 30984 M.T of paperboard as against 26989 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 ₹285.67 crores as against ₹223.04 crores, representing a growth of 28.08%.

During the year under review, your Company has earned an EBIDTA of ₹34.77 crores as compared to ₹27.42 crores, an increase of 26.80% over the previous year. The Profit before tax however is ₹9.69 crores, an increase of 23.34% over the 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 ₹62.09 lacs as compared to ₹85.10 lacs in the previous year. 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**

As explained in the Directors Report last year, your Company is now operating three independent units at Silvassa. The oldest of its units called OPU (Offset printing unit) is equipped with three six colour offset presses along with a host of ancillary equipments for finishing and conversion of printed sheets into cartons.

During the year under review, the unit installed a new six colour MAN Roland Offset press which was commissioned in August, 2010. The capacity utilization of the unit has been increasing for the past few months and the unit has also added several new customers to its portfolio.

The Second unit operated at Silvassa is called GPU (Gravure printing unit) is equipped with three 10 colour gravure presses, all with inline die cutting facility. This unit is focused mainly on printing and conversion of cigarette blanks. This unit was also audited and approved by world renowned cigarette manufacturers, Phillip Morris International for printing of packaging material of their products. The Company has been in negotiation with them ever since and are hopeful of printing cartons for their world famous cigarette brands in the near future. Apart from this, the performance of the unit has been satisfactory and bulk of the Company's exports are contributed by products manufactured by this unit.

The third unit at Silvassa is called FCU (Fluted Corrugation unit) and is also performing satisfactorily and is producing E/F/N fluted cartons for a variety of customers in the FMCG and Food industries.

Haridwar factory

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

At present, the Haridwar plant of your Company is undergoing major expansion as your Company is in the process of installing a third line of printing press at this plant along with other ancillary equipment. Your Directors expect to commence production of this enhanced capacity by September, 2011.

Your Directors are quite confident that with the increase in capacities as well as re-organization of the plant, the prospects of the same are very encouraging and the company shall reap its benefits in the coming years.

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 that has surpassed ₹250 crores and board consumption of over 30000 MT per annum.

During the current year, your Company is adding one more printing machine at Haridwar thereby considerably adding to its capacity. This will be the ninth printing line set-up by the Company and thereby the installed capacity will be quite considerable.

Your Directors are confident that with the growth in economy and particularly the growth in the consumer product industries, your Company shall be able to take benefit of this higher capacity by achieving higher levels of capacity utilization in the current year and in the years ahead.

Besides adding a new machine at Haridwar, your Company has also been allotted one more plot of land in Haridwar, where it intends to set-up a corrugation facility besides a warehouse for storage of raw materials and finished goods.

During the year under review, your Company's exports have witnessed remarkable increase over the previous year. The Company's exports for the year ended 31st March, 2011 has increased to ₹31.01 crores as compared to ₹23.37 crores for the previous year, representing a growth of 32.69 %.

Since the economies in the West have improved considerably, your Directors are confident that there will be further growth in exports, which will also contribute to higher levels of capacity utilization and thereby better profitability for the company.

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 up gradation 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 students of the institute. At present the institute has 400 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

During the year under review, Mr. Pradip Kumar Khaitan was appointed as Director of the Board. He retires by rotation and has offered himself for re-appointment. Mr. C. M. Maniar also retires by rotation and has offered himself for re-appointment.

In view of increase in activities, the Board has appointed Mr. S. G. Nanavati as an additional Director on the Board and recommends him to be appointed as Executive Director on the Board, subject to approval of shareholders. His terms of appointment and remuneration are set out in the notice of the 23rd Annual General Meeting.

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 ₹10/- each at a premium of ₹30/- per share aggregating to ₹1.40 crores. Besides this, the Company has also made a fresh allotment of 550,000 warrants to the promoters at a price of ₹50/- per warrant and accordingly the promoters have brought in 25% of the amount as per SEBI guidelines. However, due to certain recent amendments in SEBI Regulations (Issue of Capital & Disclosure Requirements), 2009 the Company had to cancel 550,000 warrants and the amount deposited by the warrant holders will be refunded in due course. However, in order to strengthen the long term working capital position of the Company, the Board of Directors have decided to issue 550,000 warrants on the same terms subject to permission of share holders in the ensuing Annual General Meeting. The proposed warrants 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.

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 has continued 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: 30th May 2011

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 31st March 2011 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 31st March 2011

| Name of Director | Category of Director | Directorships held in other Companies* | | Committee Memberships Held on other Companies** | |
|-------------------------|----------------------|--|-------------|---|-------------|
| | | As Director | As Chairman | As Director | As Chairman |
| Mr. Sajjan Jindal | Non-Executive | 4 | 3 | — | — |
| Mr. Saket Kanoria | Executive | — | — | — | — |
| Mr. K.K.Kanoria | Executive | — | 1 | — | — |
| Mr. Sudhir Merchant | Non-Executive | 1 | — | — | — |
| Mr. C.M.Maniar | Non-Executive | 14 | 1 | 6 | — |
| Mr. Atul Sud | Non-Executive | 2 | — | — | — |
| Mr.Pradip Kumar Khaitan | Non-Executive | 14 | — | 6 | — |

* 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 31st March 2011. 5 Board Meetings were held on 27.05.2010, 02.08.2010, 09.11.2010, 20.12.2010, 02.02.2011.

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

| Name of Director | Board Meetings Attended | Attendance at last AGM 21st September 2010 |
|--------------------------|-------------------------|---|
| Mr. Sajjan Jindal | 2 | No |
| Mr. Saket Kanoria | 4 | Yes |
| Mr. K.K.Kanoria | 5 | Yes |
| Mr. Sudhir Merchant | 4 | Yes |
| Mr. C.M.Maniar | 4 | Yes |
| Mr. Atul Sud | 4 | Yes |
| Mr. Pradip Kumar Khaitan | 3 | Yes |

E) Particulars of following Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 23rd Annual General Meeting.

| S.No. | Name of Directors | Remarks |
|-------|--------------------------|--|
| 1. | Mr. C.M. Maniar | Retires by rotation and seeks re-appointment. |
| 2. | Mr. Pradip Kumar Khaitan | Appointed as one Additional Director on 27/05/2010, 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 31st March 2011, meetings were held on 27.05.2010, 02.08.2010, 09.11.2010 and 02.02.2011 and the Attendance were as under :

| Sr. No. | Name of Director | Meetings Attended |
|---------|---------------------|-------------------|
| 1 | Mr. Sudhir Merchant | 4 |
| 2 | Mr. C.M.Maniar | 3 |
| 3 | Mr. Atul Sud | 4 |

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 31st March 2011, meeting was held on 27.05.2010.

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 31st March, 2011 is as under :
(₹ in lacs)

| Name of the Directors | Sitting Fees | Salary | Perquisites | Bonus/ Ex-gratia | P.F contribution | Commission | Total |
|-------------------------------------|--------------|--------|-------------|---------------------|---------------------|------------|-------|
| Mr.Sajjan Jindal, Chairman | 0.10 | -- | -- | -- | -- | -- | 0.10 |
| Mr.Saket Kanoria, Managing Director | -- | 36.00 | 2.22 | 3.60 | 4.32 | 7.50 | 53.64 |
| Mr.K.K.Kanoria, Whole-time Director | -- | 27.00 | 7.36 | 2.16 | 3.24 | 7.50 | 47.26 |
| Mr.Sudhir Merchant, Director | 0.60 | -- | -- | -- | -- | -- | 0.60 |
| Mr.C.M.Maniar, Director | 0.50 | -- | -- | -- | -- | -- | 0.50 |
| Mr.Atul Sud, Director | 0.60 | -- | -- | -- | -- | -- | 0.60 |
| Mr.Pradip Kumar Khaitan, Director | 0.25 | -- | -- | -- | -- | -- | 0.25 |

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. Mr.C.M.Maniar, 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 31st March 2011, 4 meetings were held on 27.05.2010, 02.08.2010, 09.11.2010, 02.02.2011 and the Attendance were as under :

| Sr. No. | Name of Director | Meetings Attended |
|---------|--------------------|-------------------|
| 1 | Mr. C.M.Maniar | 3 |
| 2 | Mr.Sudhir Merchant | 4 |
| 3 | Mr.Atul Sud | 4 |

C) Status of Transfers

During the year ended 31st March 2011, 9,66,708 shares in physical form were processed for transfer. There were no pending shares for transfer as on 31.03.2011.

D) Complaints

During the year ended 31st March 2011, the Company received 28 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 |
|------|-----------------|--|------------|------------|
| 22nd | 31st March 2010 | Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018 | 21.09.2010 | 10.30 a.m. |
| 21st | 31st March 2009 | Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018 | 02.07.2009 | 04.00 p.m. |
| 20th | 31st March 2008 | Sunville Deluxe Pavillion 9, Dr.Annie Besant Road Worli, Mumbai 400018 | 28.08.2008 | 04.30 p.m. |

B) Particulars of last three Extra-ordinary General Meetings

| Purpose | Venue | Date | Time |
|--|---|------------|----------|
| Issue of Warrants on preferential allotment basis | Shiv Smriti, 49, Dr.Annie Besant Road, Worli, Mumbai 400018 | 06.12.2010 | 10.30 am |
| a) Increase in Authorized Share Capital from ₹ 8.50 crores to ₹ 10.00 crores. b) Issue of Warrants on preferential allotment basis. | Sunville Deluxe Pavillion 9, Dr.Annie Besant Road, Worli, Mumbai 400018 | 30.11.2009 | 10.30 am |
| a) Issue of Equity Shares on preferential allotment basis. b) Increase in Authorized Share Capital from ₹ 7.50 crores to ₹ 8.50 crores. | Sunville Deluxe Pavillion 9, Dr.Annie Besant Road, Worli, Mumbai 400018 | 24.09.2007 | 11.30 am |

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

| AGM | Date | Matter |
|------|------------|---|
| 22nd | 21.09.2010 | Increase in remuneration of Managing Director & Whole Time Director. |
| 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. |

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 31st March 2011, the Company has transferred ₹1,75,567/- being the amount of unclaimed dividend for the year 2002-2003 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 minimization procedures.
- During the year ended 31.3.2011, 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 03.08.2010, 11.11.2010 and 03.02.2011. These results are simultaneously posted on the Website of the Company at 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 31st 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 Website 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 : 30/06/2011

Time : 4.30 P.M.

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

B) Financial Calendar 2011-12

First quarter results : By 13.08.2011

Second quarter results : By 14.11.2011

Third quarter results : By 14.01.2012

Annual results for the year ending on 31st March 2012 : By 30.05.2012

Annual General Meeting for the year 2011-2012 : By September 2012

C) Book Closure

From 20/06/2011 to 30/06/2011 (both days inclusive). Dividend, if declared at the AGM, will be paid on or after 05/07/2011.

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.

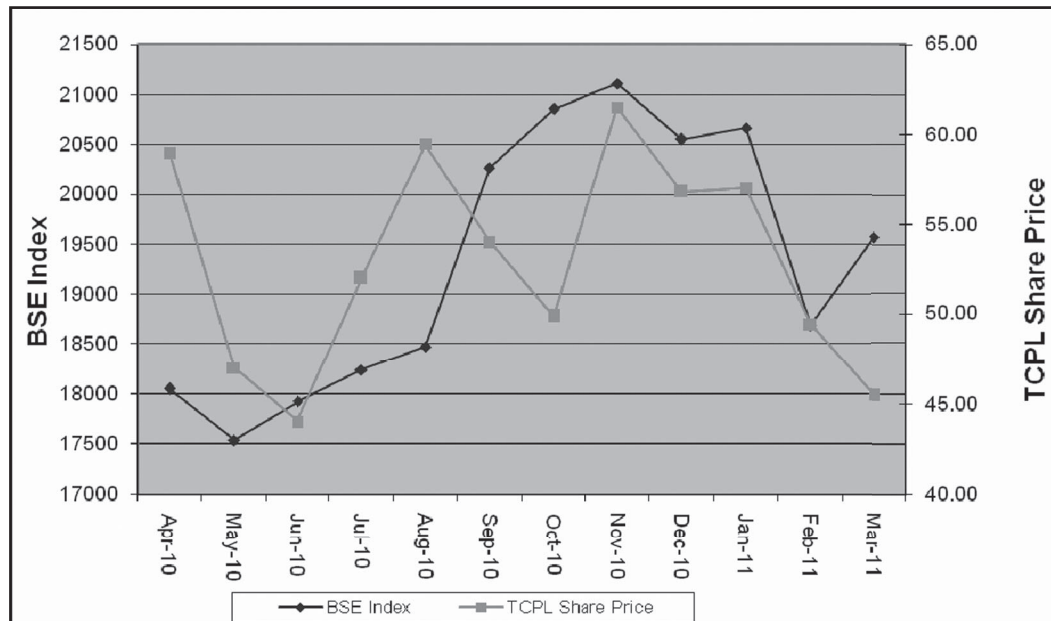
E) Stock Code :

- (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 (₹) | Date | Rate (₹) | Date |
| April | 2010 | 59.00 | 23.04.2010 | 40.00 | 27.04.2010 |
| May | 2010 | 47.00 | 27.05.2010 | 39.60 | 20.05.2010 |
| June | 2010 | 44.00 | 25.06.2010 | 40.00 | 03.06.2010 |
| July | 2010 | 52.00 | 20.07.2010 | 42.00 | 01.07.2010 |
| August | 2010 | 59.45 | 23.08.2010 | 44.00 | 04.08.2010 |
| September | 2010 | 54.00 | 21.09.2010 | 45.20 | 16.09.2010 |
| October | 2010 | 49.90 | 04.10.2010 | 45.05 | 25.10.2010 |
| November | 2010 | 61.50 | 11.11.2010 | 46.95 | 03.11.2010 |
| December | 2010 | 56.80 | 23.12.2010 | 46.00 | 09.12.2010 |
| January | 2011 | 57.00 | 03.01.2011 | 42.10 | 28.01.2011 |
| February | 2011 | 49.45 | 07.02.2011 | 36.10 | 25.02.2011 |
| March | 2011 | 45.45 | 09.03.2011 | 38.00 | 29.03.2011 |


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 dematerialized 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 along with 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 31st March 2011 :

| Shares Holding Range(s) | | Holding | | Equity Shares Held | |
|-------------------------|---------|---------|------------|--------------------|------------|
| From | To | Number | Percentage | Number | Percentage |
| Up to | 5000 | 5164 | 90.36 | 778561 | 9.32 |
| 5001 | 10000 | 251 | 4.39 | 196499 | 2.35 |
| 10001 | 20000 | 149 | 2.61 | 229305 | 2.75 |
| 20001 | 30000 | 41 | 0.72 | 104013 | 1.25 |
| 30001 | 40000 | 15 | 0.26 | 53367 | 0.64 |
| 40001 | 50000 | 16 | 0.28 | 73536 | 0.88 |
| 50001 | 100000 | 35 | 0.61 | 254623 | 3.05 |
| 100001 | & above | 44 | 0.77 | 6660096 | 79.76 |
| Total | | 5715 | 100.00 | 8350000 | 100.00 |

J) Shareholding Pattern as on 31st March 2011

| | Equity Shares | | | |
|---------------------------------|---------------|------------|---------|------------|
| | Folios | Percentage | Number | Percentage |
| Promoters | 19 | 0.33 | 3886829 | 46.56 |
| Non-Resident Individuals | 29 | 0.51 | 99865 | 1.20 |
| Bodies Corporate | 117 | 2.05 | 1414641 | 16.94 |
| Foreign Institutional Investors | 1 | 0.02 | 750000 | 8.98 |
| Mutual Funds | 3 | 0.05 | 3600 | 0.04 |
| HUF | 28 | 0.49 | 34020 | 0.41 |
| Clearing & Market Maker | 18 | 0.31 | 12628 | 0.15 |
| Others | 5500 | 96.24 | 2148417 | 25.72 |
| Total | 5715 | 100.00 | 8350000 | 100.00 |

K) Dematerialization of Shares

88.42% (7383292 shares) of total equity capital of 83,50,000 is held in dematerialized form with NSDL & CDSL as on 31.03.2011.

L) Plant Locations

- Plot No. 3A, 3B, 12, 13D, 17, 18, 21A, 22& 118 Government Industrial Estate, Masat, Silvassa, Union Territory of Dadra & Nagar Haveli 396230
- Plot No. 1 & 2, Sector 6A, And Plot. No. 51 & 52, Sector 2A, 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 31.3.2011 has been placed at the Meeting of Board of Directors held on 30/05/2011.

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, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) 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

Heneel K Patel

Partner

M. No.114103

Place: Mumbai

Date : 30.05.2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview :

During the year 2010-11, the Company's sales have increased from ₹196.10 crores to ₹251.03 crores. The factories at Silvassa and Haridwar have converted 30984 M.T of board as compared to 26989 M.T in the previous year.

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

The Company has commissioned a new six color offset press along with other ancillary equipments at its Silvassa plant during the year under review. Its products are well accepted by customers and its utilization is satisfactory.

During the year under review, the Company has also completed shifting plant, machinery and equipments of its Gravure plant from the old unit to the new unit and the same are functioning smoothly.

Industry Structure and Developments :

The year 2010-11 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 28.01 %, the EBIDTA has also gone up to ₹34.77 crores as against ₹27.42 crores during the previous year 2009-10. The cash profit has also gone up to ₹ 24.31 crores as against ₹19.94 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.

Dividend Policy :

The Company has been paying dividend regularly for the last several years. As a future policy, the Company shall endeavour to follow a dividend policy of a pay-out ratio of about 20% of the net distributable profit of the Company for any financial year.

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 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, 2011 the company had 711 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, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 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, 2011;
 - (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

Heneel K Patel

Partner

M. No.114103

Place: Mumbai

Date : 30.05.2011

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 ₹ 74.75 lacs (Previous Year ₹38.75 lacs) and the year-end balance of loan taken from such parties was ₹ Nil (Previous Year ₹ Nil).
- (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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (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, 2011 have not been deposited since appeals are pending before the relevant Authorities:

| Name of the statute | Nature of the Dues | Amount (₹ 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 |
| | | 65.1 | F.Y. 2007-08 | Tribunal |
| Income Tax Act, 1961 | Income Tax | 2.75 | A.Y. 2004-05 | Income Tax Appellate Tribunal |

- (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 or by issue of debentures.
- (xii) 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.
- (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, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (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

Heneel K Patel

Partner

M. No.114103

Place: Mumbai

Date : 30.05.2011

BALANCE SHEET AS AT MARCH 31, 2011

| | Schedule No. | As at March 31, 2011 | (₹ in lakhs) As at March 31, 2010 |
|---|-----------------|-------------------------|---|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 938.75 | 870.00 |
| Reserves and Surplus | 2 | 5040.92 | 4452.79 |
| | | 5979.67 | 5322.79 |
| Loan Funds | | | |
| Secured Loans | 3 | 8446.48 | 7622.02 |
| Unsecured Loans | 4 | 100.00 | – |
| | | 8546.48 | 7622.02 |
| Deferred Tax Liability (Net) | | 756.17 | 640.17 |
| (Refer Note (B) 10 of Schedule 19) | | | |
| Total | | 15282.32 | 13584.98 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 5 | 19461.11 | 17507.90 |
| Less : Depreciation | | 8509.80 | 7090.35 |
| Net Block | | 10951.31 | 10417.55 |
| Capital Work-in-progress (including Capital Advances) (Refer Note (B) 12 of Schedule 19) | | 1055.50 | 153.17 |
| | | 12006.81 | 10570.72 |
| Current Assets, Loans and Advances | | | |
| Inventories | 6 | 2915.97 | 2486.00 |
| Sundry Debtors | 7 | 3727.03 | 2964.18 |
| Cash and Bank Balances | 8 | 81.71 | 309.90 |
| Loans and Advances | 9 | 616.70 | 693.85 |
| | (A) | 7341.41 | 6453.93 |
| Less : Current Liabilities and Provisions | | | |
| Current Liabilities | 10 | 3579.95 | 3028.19 |
| Provisions | 11 | 485.96 | 411.48 |
| | (B) | 4065.91 | 3439.67 |
| Net Current Assets | (A)-(B) | 3275.51 | 3014.26 |
| Total | | 15282.32 | 13584.98 |

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 Board of Directors

For and on behalf of

Shah Gupta and Co.

Chartered Accountants

Firm Registration No. 109574W

Sajjan Jindal, Chairman

Atul Sud, Director

Heneel K Patel, Partner

Membership No. 114103

C.M.Maniar, Director

Sudhir Merchant, Director

S.K.Kanoria, Managing Director

K.K.Kanoria, Whole-time Director

Place : Mumbai

Dated : 30-05-2011

S.G.Nanavati, Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(₹ in lakhs)

| | Schedule No. | Year Ended March 31, 2011 | Year Ended March 31, 2010 |
|--|-----------------|------------------------------|------------------------------|
| INCOME: | | | |
| Sales | | 20787.70 | 15820.41 |
| Conversion Charges | | 4314.85 | 3789.37 |
| Gross Sales | | 25102.55 | 19609.78 |
| Less : Excise Duty | | 1413.09 | 997.82 |
| Net Sales | | 23689.46 | 18611.96 |
| Other Income | 12 | 331.40 | 236.00 |
| Increase / (Decrease) in Inventories | 13 | 126.45 | (93.74) |
| Total | | 24147.31 | 18754.22 |
| EXPENDITURE: | | | |
| Materials | 14 | 13793.35 | 10491.90 |
| Manufacturing & Other Expenses | 15 | 5355.49 | 4365.50 |
| Employees' Remuneration and Benefits | 16 | 1521.28 | 1154.55 |
| Interest & Finance Charges (Net) | 17 | 983.75 | 662.78 |
| Foreign Exchange Fluctuation (Net) | 18 | 62.09 | 85.10 |
| Depreciation | | 1462.54 | 1209.10 |
| Total | | 23178.50 | 17968.93 |
| PROFIT BEFORE TAX | | 968.81 | 785.29 |
| Provision for Tax | | | |
| Current Year (including Wealth Tax) | | 224.11 | 283.72 |
| Deferred Tax (Refer Note 10 of Schedule 19) | | 116.00 | (35.23) |
| PROFIT AFTER TAX | | 628.70 | 536.80 |
| Tax adjustment for earlier years (Refer Note B (11) of Schedule 19) | | - | 93.50 |
| NET PROFIT | | 628.70 | 443.30 |
| Balance brought forward from previous year | | 57.71 | 654.34 |
| PROFIT AVAILABLE FOR APPROPRIATION | | 686.41 | 1097.64 |
| APPROPRIATIONS : | | | |
| Proposed Dividend | | 125.25 | 120.00 |
| Corporate Dividend Tax | | 20.32 | 19.93 |
| General Reserve | | 500.00 | 900.00 |
| BALANCE CARRIED TO BALANCE SHEET | | 40.84 | 57.71 |
| | | 686.41 | 1097.64 |
| Earnings Per Share (Refer Note no. B (9) of Schedule 19) | | | |
| Basic | ₹ | 7.69 | 5.66 |
| Diluted | ₹ | 7.65 | 5.62 |
| Face Value per Equity Share | ₹ | 10.00 | 10.00 |

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 Board of Directors

For and on behalf of
Shah Gupta and Co.
Chartered Accountants
Firm Registration No. 109574W

Sajjan Jindal, Chairman

Atul Sud, Director

Heneel K Patel, Partner
Membership No. 114103

C.M.Maniar, Director

Sudhir Merchant, Director

S.K.Kanoria, Managing Director

K.K.Kanoria, Whole-time Director

Place : Mumbai

Dated : 30-05-2011

S.G.Nanavati, Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(₹ in lakhs)

As at **As at**
March 31, 2011 **March 31, 2010**

SCHEDULE 1

SHARE CAPITAL

Authorised :

1,00,00,000 (previous year 1,00,00,000) Equity Shares of ₹10/- each Issued,

1000.00

1000.00

Issued, Subscribed and Paid-up Capital :

835.00

800.00

83,50,000 (Previous Year 80,00,000 Equity Shares)

Equity Shares of ₹10/- each fully paid up

Share Application Money

103.75

70.00

Total

938.75

870.00

Note Share Application money represent amount received against 9,00,000 warrants (Previous Year 7,00,000 Warrants) issued on preferential basis out of which 3,50,000 can be converted into equity shares at the option of the holders on or before 15-06-2011 and 5,50,000 warrants may be converted on or before 20-06-2012

SCHEDULE - 2

RESERVES & SURPLUS

Capital Reserve

As per last Balance Sheet

14.82

14.82

Securities Premium Account

As per last Balance Sheet

1815.00

1745.00

Add : Received during the year *

105.00

70.00

1920.00

1815.00

General Reserve

As per last Balance Sheet

2565.26

1665.26

Add : Transferred from Profit and Loss Account

500.00

900.00

3065.26

2565.26

Surplus in Profit and Loss Account

40.84

57.71

Total

5040.92

4452.79

* Received on issue of 3,50,000 Equity Shares of ₹10/- each (Previous Year 3,50,000) on conversion of warrants

(₹ in lakhs)

As at
March 31, 2011

As at
March 31, 2010

SCHEDULE 3

SECURED LOANS

TERM LOANS FROM BANKS

In Foreign Currency

| | | |
|--------------------------------|--------|---------|
| Buyers Credit | 797.72 | 1710.43 |
| Term Loan | – | 366.36 |
| Suppliers Credit | 77.00 | 101.40 |
| Add : Interest accrued and due | 0.96 | – |

In Rupee Currency

| | | |
|--------------------------------|---------|---------|
| Term Loan | 5164.65 | 3776.51 |
| Add : Interest accrued and due | 26.87 | 28.51 |

| | | |
|--|---------|---------|
| | 6067.20 | 5983.21 |
|--|---------|---------|

| | | |
|--------|--------|--------|
| Others | 402.69 | 203.61 |
|--------|--------|--------|

| | | |
|---------------------------------|---------|---------|
| Working Capital Loan from Banks | 1976.59 | 1435.20 |
|---------------------------------|---------|---------|

| | | |
|--------------|----------------|----------------|
| Total | 8446.48 | 7622.02 |
|--------------|----------------|----------------|

NOTES:

Rupee Loan, Foreign Currency Loan and Buyers Credit (Letter of credit) availed from the banks aggregating to ₹ 5923.38 lakhs (Previous Year ₹ 5817.36 lakhs) 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 those machines on which specific charges created in favour of Orix Auto Infrastructure Limited, for the Loan availed of ₹ 144.28 lakhs (Previous Year ₹ 203.61 lakhs) and in favour of Tata Capital Ltd. for Term Loan availed of ₹ 258.41 lakhs (Previous Year ₹ Nil) and foreign currency suppliers credit availed from machinery supplier ₹ 77.00 lakhs (Previous Year ₹ 101.40 lakhs) spares, tools and accessories by way of first charge on pari passu basis with Dena Bank , Axis Bank and ICICI Bank, subject to second charge on moveable assets charged to the banks for working capital loans.

Rupee Loans, foreign loan and Buyers Credit / Letter of Credit from the banks are secured on pari passu basis on current assets of the company on second charge basis.

Vehicle loan from ICICI / HDFC Bank for ₹ 65.86 lakhs (Previous Year ₹ 64.45 lakhs) are secured by hypothecation of vehicles.

Working capital loans availed from bank aggregating to ₹ 1976.59 lakhs (Previous Year ₹ 1435.20 lakhs) are secured by pari passu charge by way of hypothecation of raw material, semi finished goods, finished goods, tools and spares packing material, book debts and assignment of actionable claims on pari passu basis with Dena Bank, Axis Bank and ICICI Bank

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

| | | |
|--------------------------|--------|---|
| Loan From Body Corporate | 100.00 | – |
|--------------------------|--------|---|

[Repayable within one year ₹ Nil (Previous year ₹ Nil)]

| | | |
|--------------|---------------|----------|
| Total | 100.00 | – |
|--------------|---------------|----------|

SCHEDULE 5

FIXED ASSETS

(₹ in lakhs)

| Particulars | Gross Block (at cost) | | | | Depreciation/Amortisation/Impairment | | | | Net Block | |
|---------------------------------|-----------------------|----------------|--------------|---------------------|--------------------------------------|----------------|--------------|---------------------|---------------------|---------------------|
| | As at 01.04.2010 | Additions | Deductions | As at 31.03.2011 | As at 01.04.2010 | For the year | Deductions | As at 31.03.2011 | As at 31.03.2011 | As at 31.03.2010 |
| Tangibles | | | | | | | | | | |
| Leasehold Land | 229.77 | 46.72 | – | 276.49 | 10.24 | 3.69 | – | 13.92 | 262.57 | 219.54 |
| Buildings ¹ | 2217.63 | 166.98 | – | 2384.61 | 369.87 | 75.77 | – | 445.64 | 1938.98 | 1847.76 |
| Plant & Machinery ² | 14344.01 | 1684.49 | 17.06 | 16011.44 | 6447.94 | 1314.33 | 17.00 | 7745.27 | 8266.17 | 7896.06 |
| Furniture & Fixtures | 268.74 | 11.41 | 13.82 | 266.32 | 114.55 | 15.73 | 11.54 | 118.74 | 147.58 | 154.19 |
| Vehicles | 371.27 | 69.24 | 27.31 | 413.20 | 115.76 | 38.81 | 14.56 | 140.01 | 273.19 | 255.52 |
| Intangibles | | | | | | | | | | |
| Software | 76.48 | 32.56 | – | 109.04 | 32.00 | 14.21 | – | 46.21 | 62.82 | 44.49 |
| Total | 17507.90 | 2011.40 | 58.19 | 19461.11 | 7090.35 | 1462.54 | 43.10 | 8509.80 | 10951.31 | 10417.55 |
| Capital Work in Progress | | | | 1055.50 | | | | | | 153.17 |
| Previous Year | 14979.79 | 2580.33 | 52.24 | 17507.90 | 5907.29 | 1209.10 | 25.79 | 7090.35 | 10417.55 | 9072.50 |

1. Building is constructed on Leasehold land except ownership flats.

Buildings include

a. ₹ 74.75 lakhs towards flats on ownership basis in Co-operative Society. (includes ₹ 0.09 lakhs for cost of shares)

2. Refer note B(4)(a) & (b) of Schedule 19

(₹ in lakhs)

As at
March 31, 2011

As at
March 31, 2010

SCHEDULE 6

INVENTORIES

| | | |
|-----------------------|----------------|----------------|
| Raw Materials | 1431.50 | 1131.03 |
| Work-in-Progress | 461.44 | 404.03 |
| Finished Goods | 177.87 | 108.84 |
| Consumable Stores | 460.18 | 541.60 |
| Material in transit # | 384.98 | 300.50 |
| Total | 2915.97 | 2486.00 |

Includes Raw Material in transit ₹ 341.01 lakhs
(Previous Year ₹ 296.23 lakhs) and Consumable stores in transit
₹ 43.97 lakhs (Previous Year ₹ 4.27 lakhs)

SCHEDULE 7

SUNDRY DEBTORS

(Unsecured, considered good)

| | | |
|---|----------------|----------------|
| Debts outstanding for a period exceeding six months | 46.00 | 84.43 |
| Other debts | 3681.03 | 2879.75 |
| Total | 3727.03 | 2964.18 |

SCHEDULE 8

CASH AND BANK BALANCES

| | | |
|--------------------------------|--------------|---------------|
| Cash on hand | 3.65 | 4.46 |
| Balances with Scheduled Banks | | |
| in Current Accounts | 1.78 | 1.98 |
| in Fixed Deposits | 56.87 | 282.40 |
| in Margin Money Accounts | 0.10 | 0.43 |
| in Unclaimed Dividend Accounts | 19.31 | 20.63 |
| Total | 81.71 | 309.90 |

SCHEDULE 9

LOANS AND ADVANCES

(Unsecured, considered good)

| | | |
|--|---------------|---------------|
| Advances recoverable in cash or in kind for value to be received | 122.61 | 91.78 |
| Advance to Suppliers | 115.76 | 54.47 |
| Loans to employees | 12.87 | 9.21 |
| Prepaid expenses | 56.23 | 62.88 |
| Security Deposits | 45.39 | 30.65 |
| Excise & VAT Balances | 184.34 | 276.61 |
| Advance Tax and Tax deducted at source (net) | 79.50 | 168.25 |
| Total | 616.70 | 693.85 |

(₹ in lakhs)

As at
March 31, 2011

As at
March 31, 2010

SCHEDULE 10

CURRENT LIABILITIES

| | | |
|---|----------------|---------|
| Acceptances | 1100.98 | 948.40 |
| Sundry Creditors | | |
| Outstanding dues of Micro and Small Enterprises (Refer Note no.B (6) of Schedule 19) | 3.39 | 6.12 |
| Others | 2156.68 | 1745.20 |
| Interest accrued but not due | 1.26 | 4.80 |
| Customer Advances | 20.50 | 0.35 |
| Investor Education & Protection Fund shall be credited by the following : | | |
| –Unclaimed Dividends * | 19.28 | 20.63 |
| Other Liabilities | 251.47 | 279.50 |
| Security Deposits | 26.39 | 23.19 |
| Total | 3579.95 | 3028.19 |

* - There is no amount due and outstanding to be credited to Investor Education and Protection Fund

SCHEDULE 11

PROVISIONS

| | | |
|------------------------|---------------|--------|
| Wealth Tax (net) | 0.40 | 0.31 |
| Employee Benefits | 339.99 | 271.24 |
| Proposed Dividend | 125.25 | 120.00 |
| Corporate Dividend Tax | 20.32 | 19.93 |
| Total | 485.96 | 411.48 |

(₹ in lakhs)

As at
March 31, 2011

As at
March 31, 2010

SCHEDULE-12

OTHER INCOME

| | | |
|----------------------|---------------|---------------|
| Sale of Scrap | 144.04 | 117.61 |
| Export Benefits | 187.20 | 115.97 |
| Miscellaneous Income | 0.16 | 2.42 |
| Total | 331.40 | 236.00 |

SCHEDULE-13

INCREASE / (DECREASE) IN INVENTORIES

Closing Stock :

| | | |
|------------------------|---------------|----------------|
| Finished Goods | 177.87 | 108.84 |
| Work in Progress | 461.45 | 404.03 |
| | 639.32 | 512.87 |
| Less : Opening Stock : | | |
| Finished Goods | 108.84 | 128.47 |
| Work in Progress | 404.03 | 478.16 |
| | 512.87 | 606.63 |
| Total | 126.45 | (93.74) |

SCHEDULE-14

MATERIALS

| | | |
|----------------------|-----------------|-----------------|
| Opening Stock | 1427.25 | 1192.68 |
| Add : Purchases | 14138.63 | 10726.47 |
| | 15565.88 | 11919.15 |
| Less : Closing Stock | 1772.53 | 1427.25 |
| Total | 13793.35 | 10491.90 |

(₹ in lakhs)

As at
March 31, 2011

As at
March 31, 2010

SCHEDULE - 15

MANUFACTURING AND OTHER EXPENSES

Manufacturing expenses

| | | |
|----------------------------------|----------------|----------------|
| Consumption of Stores | 2367.26 | 1868.62 |
| Carriage Inward | 677.54 | 520.50 |
| Glueing and Other Labour Charges | 522.70 | 605.88 |
| Power and Fuel | 510.92 | 449.68 |
| Repairs and Maintenance | | |
| a) Machineries | 90.51 | 35.26 |
| b) Building | 54.40 | 13.75 |
| c) Others | 36.16 | 31.80 |
| (A) | 4259.49 | 3525.49 |

Office, Administration, Selling and other expenses

| | | |
|---|----------------|----------------|
| Rent | 63.07 | 59.42 |
| Rates and Taxes | 20.06 | 14.54 |
| Insurance | 81.36 | 53.81 |
| Travelling and Conveyance | 268.17 | 195.22 |
| Auditors' Remuneration | | |
| - Audit fees | 5.00 | 4.50 |
| - Tax Audit fees | 1.10 | 1.00 |
| - Limited Review | 0.75 | 0.75 |
| - Certification and other matters | 1.51 | 1.36 |
| Loss on sale of Fixed Assets (net) | 2.90 | 14.57 |
| Carriage outward | 210.10 | 105.10 |
| Sales Commission | 19.82 | 15.44 |
| Other selling and distribution expenses | 32.54 | 23.10 |
| Miscellaneous expenses | 389.62 | 351.19 |
| (B) | 1096.00 | 840.01 |
| Total (A) + (B) | 5355.49 | 4365.50 |

(₹ in lakhs)

As at
March 31, 2011

As at
March 31, 2010

SCHEDULE - 16

EMPLOYEE REMUNERATION AND BENEFITS

| | | |
|---|----------------|---------|
| Salaries, Wages and other benefits | 1357.84 | 1030.02 |
| Contribution to Provident and Other Funds | 84.66 | 67.73 |
| Staff welfare expenses | 78.78 | 56.80 |
| Total | 1521.28 | 1154.55 |

SCHEDULE - 17

INTEREST AND FINANCE CHARGES (NET)

| | | |
|---|----------------|--------|
| Interest on Term Loans to Banks | 652.70 | 449.47 |
| Interest and Bank Charges | 406.91 | 290.48 |
| | 1059.61 | 739.95 |
| Less : Interest earned | 75.86 | 77.17 |
| Tax Deducted at Source ₹ 7.58 lakhs (Previous year ₹12.68 lakhs) | | |
| Total | 983.75 | 662.78 |

SCHEDULE - 18

FOREIGN EXCHANGE FLUCTUATION (NET)

| | | |
|--------------------------------------|---------------|-------|
| Exchange Fluctuation (net) | (6.91) | 24.74 |
| Premium on forward exchange contract | 19.90 | 16.58 |
| Loss on forward exchange contract | 49.10 | 43.79 |
| Total | 62.09 | 85.10 |

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

| Particulars | Year ended March 31, 2011 | Year ended March 31, 2010 |
|--|------------------------------|------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before Tax and extraordinary items | 968.81 | 785.29 |
| Adjustment for: | | |
| Depreciation | 1462.54 | 1209.10 |
| Loss/ (Profit) on sale of Fixed Assests | 2.90 | 14.57 |
| Premium / Loss on Forward Contract | 19.90 | 43.79 |
| Unrealised Forex Fluctuations | (3.89) | 5.75 |
| Bad debts and others | 20.53 | 46.52 |
| Interest Expenses | 1059.61 | 739.95 |
| Less: Interest Received | 75.86 | 77.17 |
| | 983.75 | 662.78 |
| | 2485.73 | 1982.51 |
| Operating profit before Working Capital Changes | 3454.53 | 2767.80 |
| Adjustment for: | | |
| Trade and other receivables | (783.37) | (748.35) |
| Inventories | (429.97) | (127.94) |
| Loans & Advances | (31.50) | (177.11) |
| Provisions | 70.06 | 28.64 |
| Trade Payable | 559.18 | 452.83 |
| | (615.60) | (571.93) |
| Cash Flow Before Taxation | 2838.94 | 2195.88 |
| Cash flow before extra ordinary items | | |
| Net cash from operating activities | | |
| Direct Tax (Paid) / Refund During the year | (135.26) | (236.99) |
| Less : Direct Tax Paid - Current | (135.26) | (236.99) |
| Net Cash Flow from Operating Activities (A) | 2703.68 | 1958.88 |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets and capital advances | (2871.38) | (2762.07) |
| Sale of fixed assets | 12.20 | 11.87 |
| Interest Received | 75.86 | 77.17 |
| Net cash Flow from Investing Activities (B) | (2783.33) | (2673.03) |
| C CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from long term borrowings (net) | 882.80 | 1152.68 |
| Proceeds from issue of capital (including premium) | 140.00 | 105.00 |
| Share Application Money | 33.75 | 70.00 |
| Fixed Deposits | 225.53 | 242.39 |
| Interest paid | (1063.83) | (725.27) |
| Dividends paid | (141.25) | (134.25) |
| | 77.00 | 710.55 |
| Net cash Flow from Financing Activities (C) | 77.00 | 710.55 |
| Net increase in cash and cash equivalents(A+B+C) | (2.65) | (3.60) |
| Cash and Cash equivalents - Opening Balance | 27.49 | 31.09 |
| Cash and Cash equivalents - Closing Balance | 24.84 | 27.49 |

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 aggregating to ₹ 56.87 lacs (Previous year ₹ 282.40 lakhs)

For and on behalf of Board of Directors

Sajjan Jindal, Chairman

Atul Sud, Director

C.M.Maniar, Director

Sudhir Merchant, Director

S.K.Kanoria, Managing Director

K.K.Kanoria, Whole-time Director

Place : Mumbai

S.G.Nanavati, Company Secretary

Dated : 30-05-2011

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 15 (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 ₹ 53.28 lakhs given to the Electricity Department/various Government Authorities (Previous Year ₹48.08 lakhs)
 - ii) The Bonds given to Customs and Excise Authorities - ₹ 3997.89 lakhs towards export obligation fulfillment of ₹11450.17 lakhs (since fulfilled ₹ 8384.48 lakhs for licences issued under Export Promotion Capital Goods Scheme (Previous Year ₹3728.03 lakhs) and for other matters ₹371.25 lakhs (Previous Year ₹853.51 lakhs)
 - b) Disputed demands of ₹ 119.41 lakhs in respect of various orders passed by Central Excise / Income Tax authorities (Previous year ₹129.98 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) ₹ 2808.49 lakhs (Previous Year ₹1117.91lakhs)
- (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) (a) Borrowing cost adjusted in the carrying cost of fixed assets during the year is ₹ 95.32 lakhs (Previous year ₹47.85 lakhs)
- (b) Foreign exchange loss capitalised ₹42.34 lakhs (Previous Year ₹131.95 lakhs gain)
- (5) 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, loss on account of Exchange differences of ₹42.34 lakhs (Previous year ₹ 131.95 lakhs gain) relating to various outstanding Foreign Currency Letter of Credit Liability / Buyers Credit for the year 2010-11 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:

(₹ in lakhs)

| Particulars | 2011 | 2010 |
|--|------|------|
| (a) Principal amount due to suppliers under the Act | 3.39 | 6.12 |
| (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) Enterprises in which control / Significant influence exist :

Accura ReproTech Private Limited
 Narmada Fintrade Limited
 Genus Trading & Mercantile Pvt. Ltd
 TCPL Helios India Pvt Ltd

2) Key Management Personnel

- a) Mr. Saket Kanoria, Managing Director
b) Mr. K. K. Kanoria, Wholetime Director

Transactions with related parties

| | 01.04.10 to 31.03.11 | (₹ in lakhs) 01.04.09 to 31.03.10 |
|--|-------------------------------|---|
| A) Enterprises in which control / Significant influence exist : | | |
| Accura ReproTech Pvt Ltd | | |
| Advance given | 37.88 | 45.88 |
| Sale of Fixed Asset | 0.96 | – |
| Services availed | 183.61 | 160.62 |
| Balance Outstanding | 0.34 | 30.52 |
| Narmada Fintrade Limited | | |
| Interest | 3.40 | 1.96 |
| Issue of Shares | – | 52.50 |
| Upfront payment against Warrants | 18.75 | – |
| Loan Repaid | 221.65 | 121.00 |
| Loan Taken | 221.65 | 111.50 |
| Balance Outstanding | – | – |
| TCPL Helios India Pvt Ltd | | |
| Sale of Finished Goods | 1.61 | 80.08 |
| Balance Outstanding | 1.61 | – |
| B) Key Management Personnel : | | |
| Nature of Transactions | Referred in 2(a)&(b) above | Referred in 2(a)&(b) above |
| Expenses : | | |
| Remuneration | 100.89 | 80.55 |
| Interest paid | 0.45 | – |
| Loan taken | 48.50 | 3.35 |
| Loan repaid | 48.50 | 3.35 |

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

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

| | | |
|---|----------|----------|
| | 31.03.11 | 31.03.10 |
| Basic : | | |
| Numerator : Profit after tax (₹in lakhs) | 628.70 | 443.30 |
| Denominator : Weighted Average number of equity shares outstanding during the year | 8171550 | 7837605 |
| Earnings per share in rupees - Basic (₹) | 7.69 | 5.66 |
| Diluted : | | |
| Numerator : Profit after tax (₹in lakhs) | 628.70 | 443.30 |
| Denominator : Weighted Average number of equity shares outstanding during the year | 8220363 | 7886419 |
| Earnings per share in rupees - Diluted (₹) | 7.65 | 5.62 |
| Nominal value of equity share (₹) | 10.00 | 10.00 |

Note :Under the loan agreements, some of the lenders have at their option, a right to convert certain percentage of outstanding amount into fully paid equity shares, in the event of default by the Company in payment of principal and / or interest. As the Company is not in default of any payment obligations to such lenders as on 31st March,2011, the same are not considered as potential equity shares for the purpose of calculating diluted earnings per share.

- (10) For the year ended 31st March, 2011, the Company has accounted for Deferred Tax Liability of ₹116.00 lakhs (Previous Year ₹ 35.23 lakhs as Deferred Tax Asset). Deferred Tax Liability included in the Balance Sheet comprises of the following :

| | 01.04.11 to 31.03.11 | (₹ in lakhs) 01.04.10 to 31.03.10 |
|--------------------------------------|-------------------------|---|
| <u>Deferred Tax Liability</u> | | |
| 1. Depreciation | 832.55 | 705.81 |
| <u>Deferred Tax Assets</u> | | |
| 1. Expenses covered u/s 43B | 76.38 | 65.64 |
| Total Deferred Tax Assets | 76.38 | 65.64 |
| Net Deferred Tax Liability | 756.17 | 640.17 |

- (11) Tax provision for earlier years of ₹ Nil (Previous Year ₹93.50 lakhs) is on account of tax liability arising on account of short provision, disallowances at the time of assessments.
- (12) (a) Capital Work-in-Progress includes Capital Advances of ₹ 953.23 lakhs (Previous Year ₹144.37 lakhs)
- (b) During the year, pre-operative expenses incurred for expansion that have been capitalised are ₹63.48 lakhs (Previous Year ₹58.54 lakhs)
- (13) Details of utilisation of funds received on preferential allotment of equity shares :

| | 01.04.10 to 31.03.11 | (₹ in lakhs) 01.04.09 to 31.03.10 |
|---|-------------------------|---|
| Issue proceeds / deposit received from warrant holder | 173.75 | 105.00 |
| Less : Utilised : | | |
| For funding capital expenditure at Haridwar / Silvassa and strengthening working capital position | 173.75 | 105.00 |
| Balance | — | — |

- (14) 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 |
|----------|--------------------|------|---------------------------------|----------------------------------|
| 31.03.11 | — | — | — | — |
| 31.03.10 | 4 | BUY | 58.53 | 2632.61 |

- 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 ₹ in lakhs | US \$ equivalent In lakhs | INR equivalent ₹ in lakhs |
| Debtors | 12.47 | 565.21 | 8.82 | 396.70 |

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

| | Current Year | | Previous Year | |
|---------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | US \$ equivalent In lakhs | INR equivalent ₹ in lakhs | US \$ equivalent In lakhs | INR equivalent ₹ in lakhs |
| Creditors | 5.31 | 236.94 | 0.46 | 20.71 |
| Loans payable | 19.60 | 874.69 | 2.53 | 113.80 |

(15) Employment benefits:

a) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 69.13 lakhs. (Previous Year 56.30 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.

| | (₹ in lakhs) | | |
|---|--------------|--------------|--------------|
| | 31.03.11 | 31.03.10 | 31.03.09 |
| i. Liability recognized in the Balance Sheet | | | |
| Present value of obligation at beginning of the year | 114.22 | 93.31 | 73.18 |
| Interest cost | 9.14 | 7.46 | 5.48 |
| Current service cost | 20.67 | 17.64 | 13.92 |
| Benefits paid | (4.32) | (4.33) | - |
| Actuarial (gains) / losses on obligation | 9.34 | 0.14 | 0.72 |
| Present value of obligation at the end of year | 149.05 | 114.22 | 93.31 |
| Less: | | | |
| Fair value of plan assets as at 1st April 2010 | 33.82 | 15.91 | 5.93 |
| Expected return | 4.17 | 1.95 | 0.99 |
| Contributions by employer | 36.89 | 20.29 | 8.98 |
| Benefits paid | (4.32) | (4.33) | - |
| Actuarial gains / (losses) | 0.33 | (0.14) | (0.72) |
| Amount recognized in Balance Sheet | 78.16 | 80.40 | 77.39 |
| ii Expenses During the year | | | |
| Current service cost | 20.67 | 17.65 | 13.92 |
| Interest cost on benefit obligation | 9.14 | 7.46 | 5.49 |
| Expected return on plan assets | (4.17) | (1.95) | (1.00) |
| Net actuarial (gain) / loss recognised in the year | 9.01 | 0.14 | 0.72 |
| Total : | 34.65 | 23.30 | 19.13 |
| iii Actual return on plan assets | 4.50 | 1.95 | 1.00 |
| iv The major categories of plan assets as a percentage of the fair value of total plan assets are as follows | | | |
| Investments with insurer | 100% | 100% | 100% |
| v Principal actuarial assumptions | | | |
| Discount rate | 8.30% | 7.50% | 8.00% |
| Expected rate of return on Plan assets | 8.50% | 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.

- 16 Additional information pursuant to the provisions of paragraph 4A, 4B, 4C and 4D of part II of Schedule VI to the Companies Act, 1956

| | | 2010-11 | 2009-10 |
|---|-----------------|--|--|
| a) Capacity and Production | | | |
| (i) Installed capacity (in impressions) | | 11482 lakhs | 10100 lakhs |
| (ii) Production of Printed Shells / Blanks & other material | | (In lakhs) Equivalent Impressions | (In lakhs) Equivalent Impressions |
| | Quantity | Quantity | Quantity |
| On Sales basis | 22007.02 | 2471.70 | 19507.74 |
| On Conversion basis | 16034.28 | 1055.64 | 15532.35 |
| | 38041.30 | 3527.34 | 35040.09 |
| | | | 2479.84 |

- Note : a) Licensed Capacity is not applicable in view of existing Licensing Policy.
b) Installed capacities are as certified by the Management and relied upon by Auditors, being a technical matter.

b) Payment to Managing Director & to Whole Time Director

| | | |
|------------------------------------|---------------|--------------|
| i) Salaries | 71.64 | 56.16 |
| ii) Company's Contribution to P.F. | 7.56 | 5.76 |
| iii) Allowances & Perquisites | 6.69 | 10.63 |
| iv) Commission | 15.00 | 8.00 |
| TOTAL | 100.89 | 80.55 |

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.

c) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and commission payable to the

| | | |
|--|----------------|---------|
| Managing Director & Whole Time Director Profit before Tax | 968.81 | 785.29 |
| Add: a) Provision for Depreciation as per Accounts | 1462.54 | 1209.10 |
| b) Remuneration to Managing Director & to Whole Time Director | 100.89 | 80.55 |
| c) Directors' Sitting Fees | 1.95 | 1.75 |
| d) Loss on Sale of Fixed Assets | 3.00 | 14.60 |
| | 2537.19 | 2091.29 |
| Less : Depreciation u/s.350 of Companies Act, 1956 | 1462.54 | 1209.10 |
| Profit on sale of Fixed assets | 0.10 | 0.03 |
| Net Eligible profit | 1074.55 | 882.16 |
| 10% of Eligible Profit | 107.46 | 88.22 |
| Total Managerial Remuneration including commission (Managerial remuneration paid is within the limits prescribed u/s 198 & 309 of the Companies Act, 1956 | 100.89 | 80.55 |

| | | | | | |
|----|----------------------------------|------------|--------------|------------|--------------|
| d) | C.I.F. Value of Imports | | | | |
| | Capital Goods | | 1051.44 | | 1632.86 |
| | Raw Materials | | 533.35 | | 103.06 |
| | Consumables | | 395.83 | | 362.94 |
| e) | Expenditure in Foreign Currency | | | | |
| | Travelling & Others | | 170.31 | | 125.88 |
| f) | Earnings in Foreign Exchange | Quantity | Value | Quantity | Value |
| | Export of Goods on FOB Basis : | (in lakhs) | (₹ in lakhs) | (in lakhs) | (₹ in lakhs) |
| | - Sale of Finished goods-Exports | 4077.20 | 3101.39 | 2648.05 | 2337.00 |

(17) Finance Lease

As Lessee :

Lease Rentals charged to revenue for right to use following assets are :

| Particulars | Current Year (₹ in lakhs) | Previous Year (₹ in lakhs) |
|---|------------------------------|-------------------------------|
| Office Premises, Warehouse and Godowns etc. | 63.07 | 59.42 |

The agreements are executed for a period of 11 to 96 months with a renewable clause and also provide for termination by either party giving a prior notice period of 1 to 3 months

- (18) The Ministry of Corporate affairs, Government of India vide its General Notification No.S.O301(E) Dated 8th February, 2011 issued under section 211 (3) of the companies Act, 1956 has exempted certain classes of companies from disclosing certain information in their profit and loss account.

The Company being manufacturing Company is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i) (a). 3 (ii) (a), of Part II, Schedule VI of the companies Act, 1956 have not been provided.

- (19) 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

Firm Registration No. 109574W

Sajjan Jindal, Chairman

Atul Sud, Director

Heneel K Patel, Partner

C.M.Maniar, Director

Sudhir Merchant, Director

Membership No. 114103

S.K.Kanoria, Managing Director

K.K.Kanoria, Whole-time Director

Place : Mumbai

Dated : 30-05-2011

S.G.Nanavati, Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.018-44505

Balance Sheet date March 31, 2011

State Code 11

II. Capital raised during the Year (₹ in lakhs)

Public Issue

Preference Issue

Bonus Issue

Private Placement

NIL

NIL

NIL

68.75

III. Position of Mobilisation and Deployment of Funds (₹ in lakhs)

Total Liabilities

Total Assets

15282.32

15282.32

Sources of Funds (₹ in lakhs)

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deffered Tax Liability

938.75

5040.92

8446.48

100.00

756.17

Application of Funds (₹ in lakhs)

Net Fixed Assets

Investments

Net Current Assets

Misc Expenditure

Accumulated Losses

12006.81

NIL

3275.51

NIL

NIL

IV. Performance of Company (₹ in lakhs)

Turnover(Total Income)

Total Expenditure

Earnings per Share in ₹

25560.40

24591.59

7.69

+/- Profit/Loss Before Tax

+/- Profit/Loss After Tax

Dividend Rate %

+ 968.81

+ 628.70

15

V. Generic Names of Three Principal Products/Services

Item Code

No Product

(ITC Code)

Description

1.48239009

Others Paper

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

Firm Registration No. 109574W

Sajjan Jindal, Chairman

Atul Sud, Director

Heneel K Patel, Partner

C.M.Maniar, Director

Sudhir Merchant, Director

Membership No. 114103

S.K.Kanoria, Managing Director

K.K.Kanoria, Whole-time Director

Place : Mumbai

Dated : 30-05-2011

S.G.Nanavati, Company Secretary

[illegible]



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

PROXY FORM

Twenty Third Annual General Meeting – 2011

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 behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company to be held
on 30th June, 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011

Re.1
Revenue
Stamp

Signature

NOTES : This form, in order to be effective should be fully 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

PROXY FORM

Twenty Third Annual General Meeting – 2011

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 THIRD ANNUAL GENERAL MEETING of the Company at "SUNVILLE DELUXE" PAVILLION, 9, Dr. Annie Besant Road, Worli, Mumbai-400018 on 30th June, 2011 at 4:30 p.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