

**38th
ANNUAL REPORT
2009-2010**



perfectpac limited

perfectpac Limited

BOARD OF DIRECTORS (as on May 31, 2010)

R.K. Rajgarhia
S.L. Keswani
R.K. Chopra
T.N. Chaturvedi
Sanjay Rajgarhia

Chairman

Managing Director

BANKERS

Canara Bank
Axis Bank

AUDITORS

Jagdish Sapra & Co.

REGISTERED OFFICE

910, Chiranjiv Tower,
43, Nehru Place,
New Delhi - 110 019

SHARES LISTED AT

Bombay & Calcutta Stock Exchanges

REGISTRAR & SHARE TRANSFER AGENT

M/s Skyline Financial Services Pvt. Limited
246, 1st Floor
Sant Nagar, East of Kailash
New Delhi-110065
Tel: 011-26292682-83
Fax: 011-26292681, E-mail : admin@skylinerta.com

WORKS

Plot No. 134, Sector 24, Faridabad - 121 005
Plot No. 1B/1C, Udyog Vihar, Greater Noida - 201 306

NOTICE TO MEMBERS:

Notice is hereby given that the 38th Annual General Meeting of the Shareholders of Perfectpac Limited will be held on Wednesday the 22nd September, 2010 at 11.30 A.M. at Vishwa Yuvak Kendra, Opp. Police Station, Chanakyapuri, New Delhi - 110021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Report of Auditors and Board of Directors thereon.
2. To appoint a Director in place of Shri R K Rajgarhia who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri T N Chaturvedi who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board
for Perfectpac Limited

PLACE: NEW DELHI
DATED: August 7, 2010

R. K. RAJGARHIA
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
2. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under item no. 5 as set out above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from September 17, 2010 to September 22, 2010 (both days inclusive).
4. The Company's share capital had been dematerialized under ISIN "INE750I01016", with both the Depository i.e. NSDL and CDSL. Shareholders who have not been dematerialized their shares may opt the same accordingly.

ANNEXURE TO THE NOTICE

GENERAL INFORMATION

- a. **Nature of industry:** The Company's activities can be classified under the Packaging Industry, manufacturing Corrugated Fibreboard Containers and Expanded Polystyrene.
- b. **Commencement of commercial production:** The commercial production commenced in 1972.
- c. **The financial performance for the year ended March 31, 2010**

(Rs. In lacs)

Net sales	8393.66
Net profit	108.51
EPS	10.78

Item no. 2

Details of the Director seeking re-appointment in the forthcoming Annual General Meeting.

BRIEF RESUME OF DIRECTOR OFFERING FOR RE-APPOINTMENT

Name of the Director	:	Shri R. K. Rajgarhia
Date of Birth	:	14.08.1938
Date of Appointment	:	01.04.1973
Qualification	:	Commerce Graduate
Expertise in specific functional area	:	Shri R K Rajgarhia aged about 72 years is a renowned personality in the textile industry. He is a promoter director of the company and holding post of Chairman. He has more than forty six years of experience in the various industries.
List of Other Directorship held	:	<ul style="list-style-type: none">- APM Industries Limited- Rajgarhia Leasing & Financial Services (P) Limited.- Orient Abrasives Limited- Ginni Silk Mills Limited- Confederation of Indian Textile Industries

Shri R K Rajgarhia is related to Shri Sanjay Rajgarhia (Managing Director), as father.

Item no. 3

Details of the Director seeking re-appointment in the forthcoming Annual General Meeting.

BRIEF RESUME OF DIRECTOR OFFERING FOR RE-APPOINTMENT

Name of the Director	:	Shri Tribhuvan Nath Chaturvedi
Date of Birth	:	15.01.1959
Date of Appointment	:	29.09.1994
Qualification	:	Fellow Member of ICAI

Expertise in specific functional area

: Shri T N Chaturvedi is a senior partner of a reputed Chartered Accountants' firm having more than 23 years of experience in institutional finance, corporate restructuring, financial due diligence, auditing, corporate law and taxation. He is on the Board of Directors of Punjab National Bank and other several well known listed companies. He is associated with the Company in the capacity of a independent Non Executive Director.

List of Other Directorship held

- IVRCL Infrastructures & Projects Limited
- Orient Abrasives Limited
- Hindustan Dorr Oliver Limited
- IVRCL Assets & Holdings Limited
- Rosmerta Technologies Limited
- Punjab National Bank

Chairman/member of the committee of the Company :

- Remuneration Committee - Chairman
- Share Transfer/Investor Grievance Committee - Member

By Order of the Board
for Perfectpac Limited

PLACE: NEW DELHI
DATED: August 7, 2010

R. K. RAJGARHIA
Chairman

To the Members,

Your Directors present their 38th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS	For the Year Ended 31.03.2010	(Rs. in lacs) For the Year Ended 31.3.2009
Income from operations	9069.96	8,339.84
Other Income	<u>16.41</u>	<u>11.51</u>
Profit before interest, depreciation and exceptional items	508.58	415.65
Less: Interest	<u>177.37</u>	<u>174.13</u>
Gross Profit	331.21	241.52
Less: Depreciation	<u>135.50</u>	<u>126.87</u>
Profit before exceptional items	195.71	114.65
Less: Exceptional items	<u>24.28</u>	<u>24.28</u>
Profit from ordinary activities before tax	171.43	90.37
Less: Provision for income tax:-		
- Current Tax	50.00	13.50
- Deferred tax	12.65	20.62
- Fringe benefit tax	-	4.30
- Income Tax & Fringe benefit tax related to previous year	<u>0.27</u>	<u>1.17</u>
Net profit from ordinary activities after tax	108.51	50.77
Extraordinary activities (net of tax expenses)	-	-
Net profit/(Loss)	<u>108.51</u>	<u>50.77</u>
Add: Balance brought forward from previous year	<u>324.97</u>	<u>330.04</u>
	<u>433.48</u>	<u>380.81</u>
APPROPRIATION		
Dividend on Preference Shares	4.00	4.99
Corporate dividend tax	0.68	0.85
Capital Redemption Reserve (on Redemption of Preference Shares)	-	50.00
Balance carried to balance sheet	<u>428.80</u>	<u>324.97</u>
	<u>433.48</u>	<u>380.81</u>
Earning per share (Rs.)	10.78	6.42

OPERATIONS AND PROSPECTS

The operations of the Company for the period under review have shown significant improvement. The turnover has registered an increase of 8.55% (from Rs. 83.35 crore to Rs. 90.47 Crore). The net profit after tax increased by 113.73% (from Rs.50.77 lacs to Rs.108.51 lacs) by focusing on efficiency improvement.

During the current year the Company expects satisfactory working results.

DIVIDEND

The Company paid an interim dividend on 50000, 8% Cumulative Redeemable Preference Shares of Rs.100/- each, for the period from April 1, 2009 to March 31, 2010 declared by the Board of Directors. No dividend has been recommended by the board on Equity Shares in view of the need to conserve financial resources.

RIGHTS ISSUE

During the year your company has issued 6,65,950 equity shares of Rs.10/- each for cash at a premium of Rs.15/- (Issue Price of Rs. 25/-) per Equity Share on rights basis to the existing Equity Shareholders in the ratio of 1 (One) Equity Share for every 1 (One) Equity Share (1:1).

DIRECTORS

Shri R K Rajgarhia and Shri T N Chaturvedi retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

The comments in the Auditors' Report read with the Notes on Accounts are self explanatory and therefore do not call for any further explanation.

AUDITORS

M/s Jagdish Sapra & Co., Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

FIXED DEPOSITS

The Company has not invited any deposits from public during the year under the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES

No employee has been paid a remuneration exceeding Rs.24.00 lacs in a year or Rs.2,00,000/- in a month during the year under review which require disclosure under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby state:

- 1) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required Under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed.

ACKNOWLEDGMENT

Yours Directors wish to place on record their appreciation for the support and co-operation which the Company continues to receive from it's valued Customers, Government Authorities, Bankers, the Members of the Company and its Employees.

By Order of the Board
for Perfectpac Limited

PLACE: NEW DELHI
DATED: August 7, 2010

R. K. RAJGARHIA
Chairman

ANNEXURE I TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY

The company is making concentrated efforts to optimize use of energy and reduce the consumption per unit of production.

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY

- (a) Analysis of recurring quality problems and reduction of processing cost.
- (b) Preparation of corrective and preventive action plan and incorporating the same in production process for reducing/ eliminating current quality problems.

2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

- (a) Losses due to quality problems were reduced.
- (b) Improved customer satisfaction resulting in business growth.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs.)

	2009-10	2008-09
Earnings	Nil	Nil
Outgo (C.I.F. value of imports)	2,89,30,475	2,11,91,629

ANNEXURE - II TO DIRECTORS' REPORT

ADDITIONAL INFORMATION

1. Company's philosophy on Code of Governance

The Company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the Company, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

2. Board of Directors

As on March 31, 2010, the Board is comprised of 5 Members. The composition of the Board of Directors meets with the requirements of Listing Agreement. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors.

During the year 2009 - 10 four Board meetings were held on 15.06.2009, 30.07.2009, 22.10.2009, 27.01.2010.

The composition of the Board of Directors and the attendance at the Board meeting during the year are as under: -

Sl. No.	Name of the Directors	Category of Directors	No. of Board Meetings		No. of Director Ships in other public companies	Committee		Last AGM Attended
			Held	Attended		Member-Ships	Chairman-Ships	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Shri R K Rajgarhia Chairman	Non Executive & Non Independent	4	4	3	-	-	No
2	Shri S L Keswani	Non Executive & Independent	4	4	3	1	-	No
3	Shri R K Chopra	Non Executive & Independent	4	3	1	1	-	No
4	Shri T N Chaturvedi	Non Executive & Independent	4	3	6	2	1	No
5	Shri Sanjay Rajgarhia	Managing Director	4	4	1	1	1	Yes

The non-executive directors, except Shri R K Rajgarhia do not have any material pecuniary relationship with the company. Shri R K Rajgarhia's pecuniary relationship to the company is limited to the extent of his shareholding in it and the sitting fees received by him. He may also be deemed to have some pecuniary interest with respect to transactions of sale and purchase of materials with the Companies in which he is a director, brief details of which are disclosed in the notes to the financial statements under the head "related party disclosures" under Schedule 15 of the Annual Report.

Shareholding of non-executive directors in the company as on the date of report is:

Name of the Director	No. of shares	Percentage
Shri R K Rajgarhia	291322	21.87

3. Remuneration Committee

The remuneration committee was constituted in the year 2008 comprising of Shri T N Chaturvedi (Chairman), Shri S L Keswani and Shri R K Chopra, all being independent and non-executive directors. During the year 2009 – 2010, the committee met once on 30.07.2009 to approve the remuneration of Shri Sanjay Rajgarhia.

The non-executive directors are paid sitting fees for the Board meetings attended by them. The non-executive directors are not paid remuneration in any other form.

The detail of remuneration paid to Managing Director during 2009 – 2010 is as under:-

Sl.No.	Name of the Directors	Salary	Perquisites and other Benefits	Total
1	Shri Sanjay Rajgarhia	11,10,000	11,86,329	22,96,329

The details of sitting fee paid to the other Directors during 2009 – 2010 are as under:-

Sl. No.	Name of the Directors	Sitting Fee	Total
1	Shri R K Rajgarhia	20,000	20,000
2	Shri S L Keswani	20,000	20,000
3	Shri R K Chopra	15,000	15,000
4	Shri T N Chaturvedi	15,000	15,000

4. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee of Directors is headed by Shri Sanjay Rajgarhia, Promoter, Executive & Non Independent Director. The other members of the Committee are Shri T N Chaturvedi and Shri Anil Mehta.

Name, designation and address of Compliance Officer:-

Shri Anil Mehta
 Perfectpac Limited
 910 – Chiranjiv Tower
 43 – Nehru Place
 New Delhi – 110 019
 Ph No. 011-26441015-16-17
 Fax No.011-26441018

5. 3 Shareholders' complaints were received during the year 2009 – 2010 and all of them have been resolved.

There were no pending share transfers as on 31.03.2010.

6. General Body Meeting

Location and time; where last three Annual General Meetings were held and particulars of special resolution, if any are as under.

Year	Location	Date	Time
2009	Multi-purpose Community Centre,	23.09.2009	11.00 A.M.
2008	Khera Khurd, Alipur Block,	29.09.2008	11.00 A.M.
2007	New Delhi – 110082	28.09.2007	11.00 A.M.

No resolutions have been put through postal ballot so far. Similarly, there are no resolutions, which are required to be put through postal ballot at this Annual General Meeting.

7. Code of Conduct

The company has formulated and implemented a Code of Conduct for Board Members and senior management of the company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the company.

8. CEO/CFO Certification

Shri Sanjay Rajgarhia, Managing Director has given the above certificate pertaining to financial year 2009 – 10 to the Board of Directors which was taken note of at the Board meeting.

9. Disclosures

- There are no materially significant related party transactions, which may have potential conflict with the interests of the Company at large.
- The company's financial statements are prepared as per the Accounting Standards and the accounting principles generally accepted in India.
- The risk-assessment and minimization is an on going process within the company. The company has laid down the procedures to inform Board members about the risk assessment and minimization procedures. The audit committee/board reviews the risk assessment and control process in the company periodically.
- The company has raised money through Rights Issue .
- There have been no penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority for non-compliance of any matter relating to capital markets, during the last three years.
- There is no pecuniary relationship or transaction with the Non-Executive independent Directors.

10. Compliance with mandatory/Non-mandatory Requirements

The company has complied with all the applicable mandatory requirements given in the listing agreement.

11. Means of Communication

The quarterly Financial Statements are normally published in The Pioneer and Hari Bhoomi (Delhi Edition).

12. General Shareholder Information

A. Annual General Meeting: -

Date : **September 22, 2010** (Wednesday)
 Time : **11.30 A.M.**
 Venue : **Vishwa Yuvak Kendra, Opp. Police Station, Chanakyapuri, New Delhi – 110021**

B. Financial Calendar for 2010 - 2011

Adoption of Quarterly Results Ended	In the month of
30 th June, 2010	August 15, 2010
30 th September, 2010	November 15, 2010
31 st December, 2010	February 15, 2011
31 st March, 2011 (Audited Annual Accounts)	May 15, 2011 (May 30, 2011)

C. Date of Book Closure

From **September 17, 2010 to September 22, 2010** (both days inclusive).

D. Listing on Stock Exchange at: -

	Scrip Code
Bombay Stock Exchange Limited	526435
The Calcutta Stock Exchange Ltd.	26097, 10026097

The Listing fees for the year 2010 – 2011 have been paid to the above Stock Exchange.

Demat ISIN No. in NSDL and CDSL for equity shares INE-750I01016

E. Shareholding Pattern of the Company as on 31st March 2010.

Category	No. of SharesHeld	%age of share-holding
a) Promoters/persons acting in concern	917906	68.92
b) Banks, Financial Institutions, Insurance Companies	886	0.07
c) NRIs/OCBs	70	0.01
d) Other Corporate bodies	8237	0.62
e) Indian Public	404801	30.38
Total	1331900	100.00

F. Distribution of shareholding as on 31st March, 2010

Range		Shareholders		Shares	
No. of shares		Number Holders	% to Total	Number Capital	% to Total
Upto	500	2484	95.10	246133	18.48
501	1000	80	3.06	60708	4.56
1001	2000	20	0.77	27862	2.09
2001	3000	5	0.19	12028	0.90
3001	4000	3	0.11	10628	0.80
4001	5000	2	0.08	8800	0.66
5001	10000	4	0.15	21134	1.59
10001	And above	14	0.54	944607	70.92
	Total	2612	100.00	1331900	100.00

G. Share Transfer System

Share transfers in physical form are registered by the Registrars and returned to the respective transferees within a period ranging from two to three weeks, provided the documents lodged with the Registrars/Company are complete in all respects.

H. Dematerialization of shares

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

I. Share Dematerialized record

The following data indicates the extent of dematerialization of Company's shares as on 31st March, 2010.

No. of shares dematerialized	179238	13.46% of the total share capital
No. of shareholders in D-mat Form	337	12.90% of the total No. of shareholders

J. Market Share Price Data (Rs.)

Month		Bombay Stock Exchange Limited	
		High	Low
April	2009		
May	2009	35.90	35.90
June	2009	35.90	35.90
July	2009		
August	2009		
September	2009	35.15	31.85
October	2009	34.95	26.60
November	2009	36.00	28.05
December	2009	33.05	27.65
January	2010	44.20	31.50
February	2010	37.55	28.60
March	2010	39.90	28.55

K. Plant Location of the Company

1. Plot No. 134, Sector-24, Faridabad (Haryana)-121005

Tel. : 0129 – 2233223, 2234264

Fax : 0129 – 2230014

Email : perfectpac@airtelmail.in

2. Plot No.1B/1C, Udyog Vihar, Greater Noida (U. P.)-201306

Tel. : 0120-2230827, 2230828

Email : perfectpacgn@perfectpac.com

L. Investors' Correspondence

Shareholders can make correspondence at the following addresses both for Demat and Physical transfer work and other grievances, if any :

1. Registered Office

Perfectpac Limited

910-Chiranjiv Tower, 43-Nehru Place

New Delhi - 110019

Tel. : 011-2644015-17, Fax : 011-26441018

E-mail : amehta@perfectpac.com

2. Registrars and Share Transfer Agent

M/s Skyline Financial Services Pvt. Limited

246, 1st Floor, Sant Nagar

East of Kailash, New Delhi-110065

Tel : 011-26292682-83, Fax: 011-26292681

E-mail : admin@skylinerta.com

By Order of the Board
for Perfectpac Limited

R. K. RAJGARHIA
Chairman

PLACE: NEW DELHI

DATED: August 7, 2010

AUDITORS' REPORT

To
The Members,
PERFECTPAC LIMITED

1. We have audited the attached Balance Sheet of Perfectpac Limited as at 31st March, 2010, the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, 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 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 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 & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, and attached thereto give the information required by the Companies Act, 1956, 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 31st March, 2010;
 - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For JAGDISH SAPRA & CO.
(FRN 001378N)
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : 31st May, 2010

(CA : JAGDISH SAPRA)
PARTNER
M.NO. 09194

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of Auditors' Report of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Verification of fixed assets is being conducted in a phased programme by the management designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. No material discrepancies were noticed on such verification.
- c) The assets disposed off during the year are not significant and therefore do not affect the going concern status of the Company.
- ii. a) As explained to us, inventories have been physically verified during the year by the management, except for inventories lying with outside parties, which have been confirmed by them. 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 of 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) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and the discrepancies noticed on such verification between physical stocks and book records were not material.
- iii. a) There are no companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956 to which the company has granted any loans, secured or unsecured, as per information & explanations given to us and Register u/s 301 produced before us.
- b) Since no loans were granted to parties covered in Register u/s 301, Paras 4(iii) (b), (iii) (c) & (iii) (d) of the Order are not applicable to the Company.
- c) The Company has taken unsecured loan from Managing Director and five companies covered in the Register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved in the transaction was Rs 4.54 Crores and balance outstanding at the year end was Rs 1.40 Crores.
- d) In our opinion the rate of interest and other terms and conditions of loan taken by the company are not prima facie prejudicial to the interest of the company.
- e) The company is regular in payment of interest on the above loan but as there is no stipulation for repayment of loan we are not in a position to make specific comments for the same.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods & services. During the course of our audit we have not come across any continuing failure to correct major weaknesses in internal controls.
- v. a) According to the information & explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time. However, for sales made as per customers' specifications comparable prices are not available.
- vi. As the company has not accepted any deposits from the public, within the meaning of section 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 paragraph 4 (vi) of the Order is not applicable.
- vii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.

- viii. The Government has not prescribed the maintenance of cost records for the products of the Company under section 209 (1) (d) of the Companies Act, 1956 for the year under review.
- ix. a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Custom Duty, Excise Duty, Cess, Service Tax and other material statutory dues with the appropriate authorities during the year.
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, excise duty and customs duty were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
- b) According to the books of account and records as produced and examined by us in accordance with the generally accepted auditing practices in India there are no dues of Income Tax, Wealth tax, Sales tax Service tax, Custom Duty, Excise Duty & Cess which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings by way of debentures.
- xii. Based on our examination of documents and records of the Company and as per information & explanations given to us, we are of the opinion that 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 nidhi/mutual benefit fund/society and hence clause (xiii) of the Order is not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments and hence clause (xiv) of the Order is not applicable to the company.
- xv. As per our information & explanations given to us the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to information and explanations given to us the term loans have been applied for the purpose 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, we report that no funds raised on short term basis have been used for long term investment.
- xviii. According to the information & explanations given to us no preferential allotment of shares has been made by the company to parties and companies covered in the Register maintained under Section 301 of the Companies Act within the meaning of SEBI (Disclosure & Investor Protection) Guidelines, 2000.
- xix. According to the information & explanations given to us, no debentures have been issued by the company during the year.
- xx. Based on our examination of books and records of the company, no public issue was made by the company during the year. However, the company has allotted shares on Rights basis during the year.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

PLACE : NEW DELHI
DATED : 31st May, 2010

For JAGDISH SAPRA & CO.
(FRN 001378N)
CHARTERED ACCOUNTANTS

(CA : JAGDISH SAPRA)
PARTNER
M.NO. 09194

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at		As at
		31.03.2010	31.03.2010	31.3.2009
		(Rs.)	(Rs.)	(Rs.)
SOURCES OF FUNDS:				
Shareholders' Funds:				
Share Capital	1	1,83,26,109		1,16,66,715
Reserves & Surplus	2	<u>7,34,24,491</u>	9,17,50,600	<u>5,30,71,964</u>
Loan Funds:				
Secured Loans	3	11,54,97,740		11,63,56,673
Unsecured Loans	4	<u>1,90,00,000</u>	13,44,97,740	<u>2,04,04,296</u>
Deferred Tax Liability(Schedule 15 note 11)			<u>1,27,18,264</u>	<u>1,14,52,799</u>
TOTAL			<u>23,89,66,604</u>	<u>21,29,52,447</u>
APPLICATION OF FUNDS:				
Fixed Assets:				
Gross Block	5	23,47,81,968		20,81,79,061
Less: Depreciation		<u>7,32,32,510</u>		<u>6,09,40,530</u>
Net Block		16,15,49,458		14,72,38,531
Capital Work in Progress		2,79,650		0
Impaired assets held for disposal		<u>7,25,198</u>	16,25,54,306	<u>2,29,116</u>
Investments	6		1,15,354	1,22,359
Current Assets, Loans & Advances				
Inventories	7	4,79,08,463		3,71,07,866
Sundry Debtors		12,14,53,336		9,99,81,955
Cash & Bank Balances		94,48,538		30,09,038
Loans & Advances		<u>1,55,28,748</u>		<u>1,63,42,929</u>
		194339085		15,64,41,788
Less: Current Liabilities & Provisions	8	<u>11,80,42,141</u>		<u>9,35,07,195</u>
Net Current Assets			7,62,96,944	6,29,34,593
Miscellaneous expenditure (to the extent not written off or adjusted)	9		0	24,27,848
TOTAL			<u>23,89,66,604</u>	<u>21,29,52,447</u>

Notes to the Account

The schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date
for JAGDISH SAPRA & CO.
CHARTERED ACCOUNTANTS

for and on behalf of the Board

(Jagdish Sapra)
Partner
M. No. : 09194

PLACE : NEWDELHI
Dated : 31st May, 2010

SANJAY RAJGARHIA
Managing Director

R.K. RAJGARHIA
S.L. KESWANI
R. K. CHOPRA
T.N. CHATURVEDI
Directors

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

	Schedule	Year Ended 31.03.2010		Year Ended 31.3.2009	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
INCOME:					
Sales & Services	10	83,93,66,122		73,68,69,426	
Other Income	11	16,41,004		11,50,718	
		<u>84,10,07,126</u>		<u>73,80,20,144</u>	
EXPENDITURE:					
Materials etc.	12	60,75,01,789		53,88,76,396	
Manufacturing, Administration, Selling etc.	13	18,22,97,598		15,71,66,173	
Interest & Finance Charges	14	1,80,86,303		1,78,25,766	
Deferred Revenue Expenditure W/off		24,27,848		24,27,849	
Depreciation		1,35,69,546		1,27,06,964	
Less: Transferred from Revaluation Reserve		<u>19,490</u>	<u>1,35,50,056</u>	<u>19,490</u>	<u>1,26,87,474</u>
			<u>82,38,63,594</u>		<u>72,89,83,658</u>
Profit before tax			<u>1,71,43,532</u>		<u>90,36,486</u>
Less: Provision for Taxation			50,00,000		13,50,000
Current Tax			12,65,465		20,62,080
Deferred Tax			0		4,30,000
Fringe Benefit Tax			27,320		1,17,717
Income Tax & FBT paid for Earlier Years			<u>1,08,50,747</u>		<u>50,76,689</u>
Profit after tax			<u>3,24,96,780</u>		<u>3,30,04,745</u>
Add : Profit brought forward from previous year			<u>4,33,47,527</u>		<u>3,80,81,434</u>
Profit available for Appropriation					
APPROPRIATIONS					
Dividend on Preference shares			0		99,726
Proposed Dividend - Preference Shares			4,00,000		4,00,000
Corporate Dividend Tax			67,980		84,928
Capital Redemption Reserve (on redemption on preference shares)			0		50,00,000
Balance carried to Balance Sheet			<u>4,28,79,547</u>		<u>3,24,96,780</u>
			<u>4,33,47,527</u>		<u>3,80,81,434</u>
Basic & Diluted earning per share(Schedule 15 note 12)			10.78		6.42
Notes to the Accounts	15				

The schedules referred to above form an integral part of the Profit & Loss Account

As per our Report of even date for JAGDISH SAPRA & CO.
CHARTERED ACCOUNTANTS

for and on behalf of the Board

(Jagdish Sapra)
Partner
M. No. : 09194

PLACE : NEW DELHI
Dated : 31st May, 2010

SANJAY RAJGARHIA
Managing Director

R.K. RAJGARHIA
S.L. KESWANI
R. K. CHOPRA
T.N. CHATURVEDI
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	Year ended 31.03.2010 (Rs.)	Year ended 31.3.2009 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES	1,71,43,532	90,36,486
Net Profit before Tax & Extraordinary items		
Adjustments for:	1,35,50,056	1,26,87,474
Depreciation	(24,089)	44,827
(Profit)/loss on sale of fixed Assets & Assets Discarded (Net)	3,59,450	7,17,108
Impairment Loss	24,27,848	24,27,849
Deferred Revenue Expenditure written off	7,005	0
Investment W/off (net off Reversal of Provision for Dimiution in Value of Investments)	1,77,37,726	1,74,13,232
Interest Paid	(1,91,113)	(85,327)
Interest received	5,10,10,415	4,22,41,649
Operating Profit before working capital changes		
Adjustments for:	(2,06,57,200)	(71,62,885)
Trade and Other Receivables	(1,08,00,597)	1,21,20,536
Inventories	2,58,00,411	(19,84,988)
Trade Payable and Other Liabilities	4,53,53,029	4,52,14,312
Cash Generated from Operations	(62,92,785)	(39,59,797)
Direct Taxes Paid (including deferred tax)	3,90,60,244	4,12,54,515
Cash Flow before extraordinary items	0	0
Extraordinary Items	3,90,60,244	4,12,54,515
Net Cash from Operating Activities		
B CASH FLOW FROM INVESTING ACTIVITIES:	(2,97,74,034)	(1,63,21,893)
Purchase of Fixed Assets, Including capital work in progress (Net of Subsidy)	7,82,467	13,72,000
Sale of Fixed Assets	1,91,113	85,327
Interest received	(2,88,00,454)	(1,48,64,566)
Net Cash from Investing Activities	0	(50,00,000)
C CASH FLOW FROM FINANCING ACTIVITIES:	0	0
Decrease in Preference Share Capital	1,66,48,644	0
Increase in Equity share Capital	(1,51,95,423)	(1,88,42,858)
Repayment of Long Term Borrowings	90,83,879	72,25,927
Proceeds of Long Term Borrowings	38,48,316	82,16,149
Net proceeds of Short Term Borrowings	(4,67,980)	(5,84,654)
Dividend & Dividend Tax Paid	(1,77,37,726)	(1,74,13,232)
Interest Paid	(38,20,290)	(2,63,98,668)
Net Cash from Financing Activities	64,39,500	(8,719)
Net Increase in Cash and Cash Equivalents (A+B+C)	30,09,038	30,17,757
Cash and Cash Equivalents as at 1st April, Opening Balance	94,48,538	30,09,038
Cash and Cash Equivalents as at 31st March, Closing Balance		

Note : Figures in brackets represent outflow.

As per our Report of even date
for JAGDISH SAPRA & CO.
CHARTERED ACCOUNTANTS

for and on behalf of the Board

(Jagdish Sapra)
Partner
M. No. : 09194

SANJAY RAJGARHIA
Managing Director

R.K. RAJGARHIA
S.L. KESWANI
R. K. CHOPRA
T.N. CHATURVEDI
Directors

PLACE : NEW DELHI
Dated : 31st May, 2010

SCHEDULES TO THE ACCOUNTS

SCHEDULE 1 : SHARE CAPITAL	As at 31.03.2010		As at 31.3.2009	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
AUTHORISED:				
20,00,000 (20,00,000) Equity Shares of Rs.10 each		2,00,00,000		2,00,00,000
1,25,000 (1,25,000) 8% Cumulative Redeemable Preference Shares of Rs.100 each		<u>1,25,00,000</u>		<u>1,25,00,000</u>
		<u>3,25,00,000</u>		<u>3,25,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP:				
13,31,900 (6,65,950) Equity Shares of Rs 10 each fully paid up in cash	1,33,18,894		66,59,500	
Add: Forfeited Shares	<u>7,215</u>	1,33,26,109	<u>7,215</u>	66,66,715
(6,65,950 Shares of face value of Rs 10 each allotted at premium of Rs. 15 per share on Rights basis)				
50,000 (50,000) 8% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up (redeemable at par on or after 1st February, 2014)		<u>50,00,000</u>		<u>50,00,000</u>
		<u>1,83,26,109</u>		<u>1,16,66,715</u>
SCHEDULE 2 : RESERVES & SURPLUS				
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Securities Premium Account (Amount received on Rights issue)		99,89,250		0
General Reserve (As per last Balance Sheet)		96,79,840		96,79,840
Revaluation Reserve				
As per last Balance Sheet	58,95,344		59,14,834	
Less: Adjusted during the year	<u>19,490</u>	58,75,854	<u>19,490</u>	58,95,344
Capital Redemption Reserve (Balance as per Last Balance Sheet)		50,00,000		50,00,000
Surplus in Profit & Loss Account		4,28,79,547		3,24,96,780
		<u>7,34,24,491</u>		<u>5,30,71,964</u>

perfectpac Limited

**SCHEDULE 3:
SECURED LOANS**

	As at 31.03.2010 (Rs.)	As at 31.3.2009 (Rs.)
(A) TERM LOANS:		
From Scheduled Banks	4,36,09,576	4,99,21,747
From a Company	2,00,627	0
(B) CASH CREDIT LOAN:		
From Banks	7,16,87,537	6,64,34,926
	<u>11,54,97,740</u>	<u>11,63,56,673</u>

Notes:-

- (A) Term Loan from a bank of Rs. 354.40 (Rs. 414.38) lacs is secured by equitable mortgage of Land & Buildings and 1st charge over remaining movable Fixed Assets of Greater Noida unit of the company. The above loan is also secured by way of second charge on company's factory land and building of Faridabad Unit and current assets and other movable Fixed assets of the company and personal guarantee of Managing Director of the company. The remaining term loans of Rs. 81.70 (Rs. 53.07) lacs are secured against Vehicles
- (B) Cash Cash Credit Loan is secured by hypothecation of Inventories, Book Debts and collateral security of specified Plant & Machinery and 1st charge by way of equitable mortgage of Land & Buildings of Faridabad Unit and 1st charge on factory land and building and other movable fixed assets of Greater Noida unit and personal guarantee of Managing Director and a Director of the company.

**SCHEDULE 4:
UNSECURED LOANS**

	As at 31.03.2010 (Rs.)	As at 31.3.2009 (Rs.)
From Companies	1,90,00,000	1,82,18,000
From Managing Director	0	7,81,913
Interest Accrued & Due	0	14,04,383
	<u>1,90,00,000</u>	<u>2,04,04,296</u>

**SCHEDULE - 5
FIXED ASSETS**

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK		
	Cost /Value As at 31.03.2009 (Rs.)	Additions (Rs.)	Deductions (Rs.)	As at 31.03.2009 (Rs.)	For the Year (Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Tangible Assets							
Free Hold Land	40,37,400	0	0	0	0	40,37,400	40,37,400
Lease Hold Land	88,93,578	0	0	88,93,578	89,834	84,48,964	85,36,798
Buildings	5,35,95,591	0	0	96,19,129	15,97,933	4,23,78,529	4,39,76,462
Plant & Machinery	10,82,11,716	2,14,98,212	20,56,874	3,85,70,244	86,52,967	8,12,55,175	6,96,41,472
Furniture & Fixtures	10,82,886	4,387	0	10,87,273	52,524	2,32,745	2,80,682
Office Equipments	15,38,734	3,46,718	0	18,85,452	1,91,851	9,05,505	8,15,080
Electrical Machineries							
Equipments & Fittings	86,22,575	1,72,632	0	87,95,207	4,30,433	28,39,685	62,13,323
Vehicles	2,04,50,314	74,08,463	8,34,603	69,43,441	24,87,900	89,79,106	1,35,06,873
Computers	15,37,628	28,508	0	13,85,631	38,728	14,24,359	1,41,777
Intangible Assets							
Computer Software	2,08,639	35,464	0	2,44,103	1,32,396	1,69,772	76,243
Total	20,81,79,061	2,94,94,384	28,91,477	23,47,81,968	1,35,69,546	7,32,32,510	16,15,49,459
Previous year	18,55,08,947	2,72,89,153	46,19,039	20,81,79,061	5,04,89,554	6,09,40,530	14,72,38,531
Capital Work in progress Impaired assets held for disposal							0
							2,79,650
							7,25,198

(19)

perfectpac Limited

SCHEDULE 6: INVESTMENTS	As at 31.03.2010		As at 31.3.2009	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
LONG TERM:				
In Equity shares (Quoted)				
Fully paid up				
Non Trade				
42,000 (42,000) Faridabad Paper Mills Limited of Rs. 10 each	1,15,354		1,15,354	
0 (1,312) VHEL Industries Limited of Rs. 10 each*	0		89,320	
0 (1,000) Uniworth Limited of Rs. 10 each*	0	1,15,354	90,680	2,95,354
Partly paid up:				
Less: Provision for Diminution in Equity Shares		0		1,72,995
		<u>1,15,354</u>		<u>1,22,359</u>
Aggregate value of quoted investments		1,42,800		1,49,804
- market value				
* Written off during the year				

SCHEDULE 7: CURRENT ASSETS, LOANS AND ADVANCES	As at 31.03.2010		As at 31.3.2009	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(A) CURRENT ASSETS :				
Inventories (As taken, valued & certified by the management)				
Raw Materials	2,92,39,682		2,12,08,099	
Stores & Spares etc.	59,96,522		46,43,881	
Work in Progress*	48,45,688		32,44,485	
Finished Goods	77,72,771		79,63,001	
Waste Products/Scrap	53,800		48,400	
	<u>4,79,08,463</u>		<u>3,71,07,866</u>	
* Include Rs 17,315 (Rs 2,52,270) lying with outside parties.				
Sundry Debtors - Unsecured, Considered Good				
Over Six Months	52,15,663		67,05,649	
Others	11,62,37,673		9,32,76,306	
	<u>12,14,53,336</u>		<u>9,99,81,955</u>	
Cash & Bank Balances etc.:				
Cash in Hand (as certified)	12,44,882		14,40,696	
Balances with scheduled Banks:				
In Current/Term Deposit Accounts	82,03,656		15,68,342	
	<u>94,48,538</u>		<u>30,09,038</u>	

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES (Contd.)	As at 31.03.2010 (Rs.)	As at 31.3.2009 (Rs.)
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(B) LOANS & ADVANCES :
(Unsecured considered good, unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received and/or adjusted	65,59,888	52,13,097
Deposits with Govt. Depts & Others.	15,24,645	11,50,433
Balance with Excise Authorities	59,07,498	74,51,023
Advance Income Tax (Net of provision)	15,36,717	25,28,376
	<u>1,55,28,748</u>	<u>1,63,42,929</u>

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS	As at 31.03.2010 (Rs.)	As at 31.3.2009 (Rs.)
--	------------------------------	-----------------------------

CURRENT LIABILITIES :

Sundry Creditors

Micro & Small Enterprises*	26,85,100	17,64,018
Others**	10,98,80,609	8,59,92,085
Advances from Customers	4,25,576	3,27,235
Other Liabilities	36,83,694	37,49,741
Interest Accrued but not due on loans	66,202	56,252

PROVISIONS

Retirement and other employees benefits	8,32,980	7,19,885
Dividend on Preference Shares	4,00,000	4,00,000
Dividend Tax	67,980	67,979
Fringe Benefit Tax	0	4,30,000
	<u>11,80,42,141</u>	<u>9,35,07,195</u>

* As certified by the management on which auditors have placed reliance.

** Include Rs. 36,495 (Rs. 35,615) due to Managing Director.

SCHEDULE 9 : MISCELLANEOUS EXPENDITURE	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
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Deferred Revenue Expenditure As per last balance sheet	24,27,848	48,55,697
Written off during the year	24,27,848	24,27,849
	<u>0</u>	<u>24,27,848</u>

perfectpac limited

SCHEDULE 10 :		Year ended	Year ended
SALES & SERVICES		31.03.2010	31.3.2009
		(Rs.)	(Rs.)
SALES (Gross):			
Finished Goods		88,66,55,219	81,90,27,017
Waste Products		1,81,17,103	1,44,98,373
		<u>90,47,72,322</u>	<u>83,35,25,390</u>
Less: Excise Duty		6,76,30,611	9,71,15,260
Sales (Net)		<u>83,71,41,711</u>	<u>73,64,10,130</u>
Services			
Jobwork		22,24,411	4,59,296
		<u>83,93,66,122</u>	<u>73,68,69,426</u>
SCHEDULE 11 :		Year ended	Year ended
OTHER INCOME		31.03.2010	31.3.2009
		(Rs.)	(Rs.)
Interest (Gross)			
(Tax deducted at source Rs.13,362 (Rs 18,688))		1,91,113	85,327
Miscellaneous Income		6,68,145	2,21,400
Rent		0	15,220
Insurance Claim Received		0	20,417
Exchange Rate Fluctuations (Net)		2,49,599	0
Profit on Sale of Fixed Assets		24,089	0
Diminution in value of Shares reversed		1,72,995	1,00,000
Excess Liabilities & Provisions Written Back (Net)		3,35,063	7,08,354
		<u>16,41,004</u>	<u>11,50,718</u>
SCHEDULE 12 :		Year ended	Year ended
MATERIALS ETC.		31.03.2010	31.3.2009
		(Rs.)	(Rs.)
Raw Materials Consumed:			
Opening Stock		2,12,08,099	2,74,95,797
Add : Purchases		61,74,41,639	52,88,50,408
		63,86,49,738	55,63,46,205
Less: Sales		48,84,834	36,39,327
		63,37,64,904	55,27,06,878
Less : Closing Stock		2,92,39,682	60,45,25,222
Purchase of Semi Finished Goods		47,09,250	2,12,08,099
Excise duty on (decrease) in finished goods stock			53,14,98,779
Less/Add (increase)/ Decrease in Stocks :		(3,16,310)	(7,33,933)
Opening Stock :			
Finished Goods		79,63,001	95,63,783
Work in Progress		32,44,485	73,29,615
Waste Products/Scrap		48,400	74,500
		<u>1,12,55,886</u>	<u>1,69,67,898</u>
Less: Closing Stock :			
Finished Goods		77,72,771	79,63,001
Work in Progress		48,45,688	32,44,485
Waste Products/Scrap		53,800	48,400
		<u>1,26,72,259</u>	<u>1,12,55,886</u>
		<u>60,75,01,789</u>	<u>57,12,012</u>
			<u>53,88,76,396</u>

SCHEDULE 13 : MANUFACTURING, ADMINISTRATION, SELLING ETC.	Year ended		Year ended
	(Rs.)	31.03.2010 (Rs.)	31.3.2009 (Rs.)
Salaries, Wages & Bonus	4,24,00,002		3,54,16,340
Gratuity and Compensation	3,28,638		5,19,299
Contribution to Provident Fund, Family Pension Scheme & Other funds	15,60,503		11,63,453
Welfare Expenses	55,12,972	4,98,02,115	41,66,927
			4,12,66,019
Electricity, Power & Fuel etc.	4,54,48,690		4,17,75,135
Stores & Spares etc. consumed	3,32,22,289		2,45,55,978
Blocks, Designs & Jobwork	43,57,149	8,30,28,128	41,68,647
			7,04,99,760
Repairs & Maintenance :			
Plant & Machinery	1,00,29,682		99,24,322
Buildings	19,48,480		17,44,255
Others	4,15,734	1,23,93,896	6,94,282
			1,23,62,859
Rent		2,23,066	9,53,286
Rates & Taxes		6,66,164	3,61,622
Insurance		7,59,050	7,02,562
Exchange rate fluctuations(net)		0	52,209
Misc. Expenses		1,21,13,106	92,01,517
Auditors' Remuneration		1,86,370	1,37,420
Bad Debts/Miscellaneous Balances Written off (Net)	18,23,757		26,91,997
Less Transfer from Provisions	0	18,23,757	21,609
Investment in Equity shares W/off		1,80,000	1,00,000
Packing & Forwarding(Net)		1,56,07,844	1,34,02,902
Loss on sale of Fixed Assets		0	44,827
Impairment Loss		3,59,450	7,17,108
Selling Commission		31,58,565	28,94,084
Cash Discount		19,96,087	17,99,610
		18,22,97,598	15,71,66,173

SCHEDULE 14 : INTEREST & FINANCE CHARGES	Year ended		Year ended
	(Rs.)	31.03.2010 (Rs.)	31.3.2009 (Rs.)
Interest			
On Term Loans		60,24,049	74,60,976
On Other Loans		1,17,13,677	99,52,257
Bank Charges		3,48,577	4,12,533
		1,80,86,303	1,78,25,766

SCHEDULE-15: NOTES TO THE ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENT

Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting prescribed in the companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies, 1956.

b) FIXED ASSETS

Fixed assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation. Cost is inclusive of freight, duties and levies and any directly attributable cost of bringing the assets to their working conditions for intended use but excludes recoveries. Intangibles are stated at cost less accumulated amount of amortisation.

c) INVESTMENTS

Long term Investments are stated at cost. However, diminution in value other than temporary is provided. The Profit/Loss arising on account of sales is recognised in the Profit and Loss Account. The reduction in carrying amount is reversed when there is a rise in the value of investments or if the reasons for the reduction no longer exist.

d) DEPRECIATION/AMORTISATION

Tangible Assets

i) Depreciation on fixed assets is provided on straight line method at rates and in the manner prescribed in Schedule-XIV of the Companies Act, 1956 except straight line rate on Dies & Moulds at 95% per annum which is higher than the rate prescribed in the above schedule: The rate of depreciation on dies & moulds reflect the estimated useful life of such assets.

ii) Depreciation on building other than above is calculated on the revalued amount at the rates considered appropriate by the Valuer. Out of the above, depreciation on original cost on straight line method basis as prescribed by the Companies Act, 1956 (as amended) is charged to Profit & Loss Account and balance for the year is set off against transfer from Revaluation Reserve.

iii) Assets costing upto Rs.5,000/- each are depreciated fully in the year of purchase.

iv) Lease hold Land is amortised over the period of lease.

Intangible Assets

v) Computer Software is amortized over a period of five years / two years.

e) INVENTORIES

Inventories are valued at lower of cost or net realisable value.

i) Cost of Raw Materials, Stores, Spares etc. is determined on first in first out basis but excludes sales tax on such purchases within Haryana which is set off against the Sales tax liability on goods produced from such purchases and sold during the year. Excise duty is not included in cost as the Cenvat benefit goes to reduce the cost of materials purchased.

ii) The cost of finished goods and work in progress includes cost of raw material and factory overheads. Provision of excise duty on finished goods is made in accounts and is also considered to determine the cost of stock of finished goods.

f) REVENUE RECOGNITION

i) Sales are recognised when goods are supplied to the customers and are recorded net of excise duty, sales tax, returns/rebate and trade discounts.

ii) Dividend income on investments is accounted for when the right to receive the same is established.

g) BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

h) **EMPLOYEE BENEFITS**

Contributions to defined Contribution Schemes such as Provident Fund etc are charged to the Profit & Loss Account as and when incurred.

The Gratuity Fund benefits are administered by a Trust recognised by income Tax Authorities through the Group Scheme of LIC of India. The liability for gratuity at the end of each financial year is determined on the basis of actuarial valuation carried out by the Insurer's actuary on the basis of projected unit credit method as confirmed to the Company. Company's contributions are charged to the Profit and Loss Account.

Liability on account of short term employee benefits comprising largely of compensated absences, bonus and other incentives is recognised on an undiscounted accrual basis.

i) **TAXATION**

Provision for income tax is made based on the liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

j) **MISC. EXPENDITURE**

Expenses incurred on compensation paid to workers on Voluntary Retirement Scheme are considered as deferred revenue expenditure and amortized over a period of three years.

k) **IMPAIRMENT OF ASSETS**

After a careful evaluation of the assets, the Company identifies impairment of assets i.e. the amount by which carrying amount of assets exceed their recoverable value. Impairment losses, if any, are dealt as per Accounting Standard (AS)-28.

l) **FOREIGN EXCHANGE TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. Transactions outstanding at year end are translated at exchange rates prevailing at the year end and the profit / loss so determined is recognised in the Profit and Loss Account.

m) **PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made.

Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation can not be made.

NOTES ON ACCOUNTS

2. Estimated amount of outstanding capital commitments not provided for Rs. NIL Lacs (Rs. 13.56 Lacs) (net of advances.)
3. Contingent Liabilities not provided for in respect of:-
 - a) Interest of Rs. 1.83 lacs (Rs. 1.83 Lacs) on Local Area Development Tax recovery of which is stayed by Supreme Court of India.
 - b) ESIC demand Rs.3.09 lacs(Rs.3.09 lacs) excluding interest paid under protest Rs. 1.54 lacs (Rs 1.54 lacs) being contested in appeal
 - c) Letters of credit outstanding Rs.24.69 lacs (Nil).
4. Some of the Sundry Debtors, Advances including Deposits and Current Liabilities are subject to confirmation/ reconciliation.
5. In the opinion of the Management Current Assets, Loans and Advances other than shown doubtful have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

6. i) As per Accounting Standard (AS) 15 Revised on Employee Benefits details of expenses under Defined Contribution Plan are given as under:

	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
Provident Fund (Disclosed in profit & loss account as Contribution to provident and other funds).	13,10,814	11,63,453
Employees State Insurance (Included in welfare expenses)	4,29,098	3,90,185
Labour welfare fund (Included In Salaries,Wages & Bonus)	7,845	9,610

ii) The Company operates post retirement defined benefit plan for retirement gratuity which is funded.

iii) Details of the post retirement gratuity plans & obligations are as follows:

Gratuity Scheme Funded Plan :

	As on 31.03.2010 Rs.	As on 31.03.2009 Rs.
(a) Reconciliation of opening and closing balances of obligation		
a) Present value of obligation as at Opening date	32,02,688	3,096,405
b) Current Service Cost	2,15,390	2,50,455
c) Interest Cost	2,93,046	2,83,321
d) Actuarial (Gain)/Loss	57,852	(3,40,163)
e) Benefits Paid	2,49,689	87,330
f) Present value of obligation as at Closing date	35,19,287	32,02,688
(b) Change in Plan Assets (Reconciliation of opening and closing balances)		
a) Fair Value of Plan Assets as at Opening date	34,45,784	2,607,471
b) Expected return on Plan Assets	3,15,289	2,38,583
c) Interest credited for the year	0	2,61,312
d) Actuarial Gain/(Loss)	3,15,289	2,38,583
e) Contributions	3,23,192	6,64,331
f) Benefits Paid	2,49,689	87,330
g) Fair Value of Plan Assets as at Closing date	35,19,287	34,45,784
(c) Reconciliation of fair value of assets and obligations		
a) Present Value of Obligation as at Opening date	35,19,287	32,02,688
b) Fair value of Plan Assets as at Closing date	35,19,287	34,45,784
c) Liability recognized in the Balance Sheet	NIL	NIL
(d) Expense recognized during the year		
a) Current Service Cost	2,15,390	2,50,455
b) Interest Cost	2,93,046	2,83,321
c) Expected return on Plan Assets	3,15,289	2,38,583
d) Excess plan fund size last year	(2,43,096)	
e) Actuarial (Gain)/Loss	3,73,141	(1,01,580)
f) Expense recognized during the year	3,23,192	1,93,611
(e) Assumptions		
a) Discount Rate (per annum)	8.00%	8.00%
b) Interest Rate (per annum)	9.15%	9.15%
c) Estimated Rate of return on Plan Assets (per annum)	9.15%	9.15%
d) Rate of Escalation in Salary (per annum)	6.00%	6.00%

7) Advances (Schedule-7) include amounts of Rs. 1.92 Lacs (Rs. 2.14 Lacs) paid against demand raised by Sales Tax Authority which the company is contesting. The above payments will be charged to Profit & Loss Account on the decision by Appellate Authority

8.	Payment to Auditors:-	Rs.	Rs.
a)	Statutory Audit	1,15,000	(82,000)
b)	Limited Review of Quarterly Results	15,000	(15,250)
c)	Taxation Matters	50,000	(32,500)
d)	Out of Pocket Expenses	6,370	(7,670)
e)	For Certification	33,000	(0)
9.	Profit/loss on sale of raw materials and stores & spares etc stand adjusted in their consumption Accounts.		
10.	Managerial remuneration under Section 198 of the Companies Act, 1956	Rs.	Rs.
	Salary	11,10,000	(7,80,000)
	Monetary value of Perquisites (Actual and/or valued as per Income Tax Rules)	10,53,129	(8,24,928)
	Contribution to Provident Fund	1,33,200	(93,600)
	The above remuneration does not include contribution to gratuity fund as this contribution is lump sum amount based on actuarial Valuation.		
11.	The major components of Deferred Tax Assets/Liabilities arising on account of timing differences are as follows: -	As at	As at
		31.03.2010	31.03.2009
		(Rs.)	(Rs.)
a)	Deferred Tax Liability		
	Depreciation	1,43,01,057	1,23,28,862
		1,43,01,057	1,23,28,862
b)	Deferred Tax Assets		
	Employee Benefits	2,76,695	2,22,444
	Expenditure on VRS	9,67,765	6,00,164
	Others	3,38,333	53,455
		15,82,793	8,76,063
	Deferred Tax Liability (Net)	1,27,18,264	1,14,52,799
12.	Earning Per Share (EPS)		
	- Profit attributable to the Equity		
	Share Holders (Rs.) (A)	1,03,82,767	44,92,035
	Basic/Weighted average No. of Equity Shares outstanding during the year (B)	9,62,852	6,99,248
	- Nominal Value of Equity Shares (Rs.)	10	10
	- Basic/Diluted Earning Per Share (Rs.) (A/B)	10.78	6.42
13.	The company has taken factory land/godown & office under cancellable operating lease agreements. The lease agreements are usually renewed by mutual consent on mutually agreeable terms. Total rental expenses under such lease Rs. 2,23,066 (9,53,286).		
14.	Related Party Disclosures under Accounting Standard-18.		
a)	List of Related Parties (As identified by the Management)		
i)	Enterprises owned or significantly influenced by key management personnel or their relatives :- Orient Syntex (Prop.APM Industries Limited), Essvee Fiscal Pvt. Ltd., AJR Fiscal Pvt. Ltd., Rajgarhia Leasing & Financial Services Pvt. Ltd., Faridabad Paper Mills Ltd. RKR Foundation, Sanjay Rajgarhia & Son (HUF).		
ii)	Key Management Personnel and their Relatives:- Directors-Shri Sanjay Rajgarhia, Shri R.K. Rajgarhia.		

perfectpac Limited

b) Transactions with Related Parties

Nature of Transaction	(In Rupees)	
	Enterprises owned or Significantly influenced by Key Management Personnel	Key Management Personnel and their relatives
1) EXPENSES		
Remuneration to Directors		As per point No.10 above
Directors' sitting fees		20,000
		(11,000)
Interest paid	28,10,266	73,714
	(22,08,712)	(1,30,059)
Rent Paid	36,000	
	(36,000)	
2) INCOME		
Sale of Goods	53,13,379	
	(58,66,189)	
3) UNSECURED LOANS		
Accepted:	3,33,75,000	4,00,000
	(3,15,38,762)	(10,50,000)
Repaid:	3,50,34,433	12,23,795
	(2,67,57,344)	(21,00,295)
4) BALANCES AS ON 31st MARCH 2010		
- Unsecured Loans outstanding	1,40,00,000	0
	(1,54,01,982)	(823,795)
- Creditors		36,495
		(35,615)
- Debtors	7,06,164	
	(2,60,351)	

Note: In respect of above parties there is no provision for doubtful debts as on 31.03.2010 and no amount has been written off or written back during the year in respect of debts due from/to them.

15. As per Accounting Standard-17, "Segment Reporting" the Company's business segment is packaging. As this is the only segment no separate disclosure of segment wise information is made.
16. The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the available information with the company are as under:-

Sr. No.	Particulars	As at 31st	As at 31st
		March, 2010	March, 2009
		Rs.	Rs.
1.	The principal amount remaining unpaid to supplier as at the end of accounting year	26,85,100	17,64,018
2.	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	-
3.	The amount of interest paid in terms of Section- 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid put beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
6.	The amount of further interest remaining due and payable even in the succeeding years.	-	-

17. Additional information as required by paragraphs 3, 4c & 4d of Part-II of Schedule VI to the Companies Act :-

i) Particulars in respect of goods manufactured

	Corrugated Board Boxes	Expanded Polystyrene
Licensed Capacity	Not applicable	Not applicable
Installed Capacity (As certified by the Management on which auditors have placed reliance)	33,000 MT* (33,000 MT)	1,800 MT* (1,800 MT)
Actual Production Quantity	173.36 Lacs Nos. (162.77 Lacs Nos)	110.38 Lacs Nos (95.86 Lacs Nos)
Sales Quantity	173.17 Lacs Nos. (163.05 Lacs Nos)	111.40 Lacs Nos (93.73 Lacs Nos)
Value in Rupees	62,27,31,287 (59,13,00,152)	26,39,23,932 (22,77,26,865)
Opening Stock Quantity	1.24 Lacs Nos. (1.52 Lacs Nos)	2.66 Lac Nos. (0.53 Lac Nos.)
Value in Rupees	67,75,876 (80,13,998)	11,87,125 (15,49,785)
Closing Stock Quantity	1.43 Lacs Nos. (1.24 Lacs Nos.)	1.64 Lacs Nos (2.66 Lacs Nos)
Value in Rupees	68,26,257 (67,75,876)	9,46,514 (11,87,125)

* The Nos. cannot be determined accurately.

ii) Consumption of Raw Materials:

	Percentage of total consumption	Kraft Paper	Expandable Polystyrene	Others
a) Indigenous Quantities		23148.45 MT (18533.98 MT)	1812220 Kg (1500765 Kg)	Nil (Nil)
Value in Rupees	97.84 (98.58)	44,69,14,488 (39,89,96,973)	12,58,68,438 (11,22,20,405)	1,86,73,052 (1,27,13,848)
b) Imported Quantity		205.73 MT (214.64 MT)	87,200 Kg (Nil)	Nil (Nil)
Value in Rupees	2.16 (1.42)	68,22,654 (75,67,553)	62,46,590 (Nil)	Nil (Nil)

iii) Consumption of Stores, Spare Parts and Components:-

	Percentage of total consumption	Amount(Rs.)
a) Indigenous	92.32 (91.45)	3,06,71,463 (2,24,55,472)
b) Imported	7.68 (8.55)	25,50,826 (21,00,506)

iv) C.I.F. Value of Imports

a) Capital Goods	1,34,98,733 (1,35,28,600)
b) Raw Materials	1,27,68,976 (55,36,886)
c) Stores & Spares	26,62,766 (21,26,143)

v) Expenditure in Foreign Currency

62,980
(Nil)

vi) Earnings in Foreign Exchange

Nil
(Nil)

perfectpac Limited

18. Figures of Previous Year have been regrouped and/ or re-arranged wherever found necessary to conform to this year's classification. In the schedules the same are appearing in brackets.
19. Schedules 1 to 15 form an integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated.

for and on behalf of the Board

As per our Report of even date
for JAGDISH SAPRA & CO.
CHARTERED ACCOUNTANTS

(Jagdish Sapra)
Partner
M. No. : 09194

PLACE : NEW DELHI
Dated : 31st May, 2010

SANJAY RAJGARHIA
Managing Director

R.K. RAJGARHIA
S.L. KESWANI
R. K. CHOPRA
T.N. CHATURVEDI
Directors

Informations pursuant to Part IV of Schedule - VI of the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

Registration No.

State Code

Balance Sheet Date

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Bonus Issue

Rights Issue

Private Placement

III Capital redeemed during the year (Amount in Rs. Thousands)

IV Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Sources of funds

Total Liabilities

Paid up Capital

Secured Loans

Deferred Tax Liability

Application of funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Total Assets

Reserves & Surplus

Unsecured Loans

Investments

Misc. Expenditure

V. Performance of Company (Amount in Rs. Thousands)

Turnover (Gross Revenue)

Profit/Loss Before Tax

Earning per Share in Rs.

Total Expenditure

Profit/Loss After Tax

Dividend Rate % On Preference shares

VI. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)

Item Code No.

(ITC Code)

Product Description

IMPORTANT

MEMBERS/PROXY HOLDERS ATTENDING THE ANNUAL GENERAL MEETING OF THE COMPANY ON WEDNESDAY, 22nd SEPTEMBER, 2010 ARE REQUESTED TO NOTE THAT THE MANAGEMENT OF THE COMPANY HAS DECIDED THAT NO GIFT/COUPONS SHALL BE DISTRIBUTED AT THE MEETING.



REGD. OFFICE : 910, CHIRANJIV TOWER, 43, NEHRU PLACE, NEW DELHI-110 019
PROXY FORM

I/We.....
of
being a member (s) of PERFECTPAC LTD. hereby appoint.....
.....
of
or failing him/her.....
of
as my/our proxy to attend and vote for me/us and on my/our behalf at the **38th** Annual General Meeting of the Company to be held on Wednesday, the 22nd September, 2010 at 11.30 A.M.
AS WITNESS my/our hand(s) the.....day of2010
Signature (s).....
FOLIO NO. /DP ID No. and Client ID No.*.....



NOTE :
THE PROXY MUST BE RETURNED SO AS TO REACH THE COMPANY'S SHARE DEPARTMENT NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

* Applicable in case of Shares held in electronic mode

ATTENDANCE SLIP

Name of the person(s) attending (1)(2).....
Father/Husband's Name (1)(2).....
FOLIO NO. /DP ID No. and Client ID No.*.....No. of Shares Held.....

If proxy or second/third joint holders, name of the first shareholder.....
I/We here record my/our presence of the 38th Annual General Meeting of the Company held at Vishwa Yuvak Kendra, Opp. Police Station, Chanakyapuri, New Delhi-110021 on this 22nd day of September, 2010 at 11.30 A.M.

Signature(s)

IMPORTANT

- i) This attendance slip duly filled in and signed may please be handed over at the entrance of the Meeting Hall.
 - ii) If the particulars contained herein are incorrect/missing, the Company reserves the right to withhold entry.
 - iii) Accompany children/non-members will not be allowed entry
- * Applicable in case of Shares held in electronic mode