

CIN No. L72100DL1972PLC005971

FORM - A

**COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE
STOCK EXCHANGES PURSUANT TO CLAUSE 31 OF THE LISTING AGREEMENT**

- 1 Name of the company : **PERFECTPAC LIMITED**
- 2 Annual financial statements for the year ended : March 31, 2014
- 3 Type of audit observation : Un-qualified
- 4 Frequency of observation : Not applicable
- 5 Signed by:

a) Sanjay Rajgarhia, Managing Director


Authorized Signatory

b) Vipal Kalra, Jagdish Sapra & Co.
(Statutory Auditors)



★ Member : Indian Institute of Packaging ★

REGD. OFFICE : 910, CHIRANJIV TOWER, 43, NEHRU PLACE, NEW DELHI-110018

PHONES : 26441015, 26441016, 26441017, FAX : 26441018

42nd ANNUAL REPORT 2013-2014



perfectpac limited

perfectpac limited

BOARD OF DIRECTORS
(as on May 30, 2014)

R.K. Rajgarhia
S.L. Keswani
Harpal Singh Chawla
Sanjay Rajgarhia

Chairman

Managing Director

BANKERS

Canara 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
D-153A, 1st Floor
Okhla Industrial Area, Phase-I
New Delhi-110 020
Tel : 011-26812682-83, Fax: 011-30857562
E-mail : admin@skylinerta.com

WORKS

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

PERFECTPAC LIMITED

CIN:L72100DL1972PLC005971

Registered Office: 910, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019

Phone: 011-26441015-16, Email: amehta@perfectpac.com

Website: www.perfectpac.com

NOTICE TO MEMBERS:

Notice is hereby given that the 42nd Annual General Meeting of the Shareholders of Perfectpac Limited will be held on Monday the 29th day of **September, 2014** at 11.30 A.M. at The Executive CLUB, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110074 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 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 Rajendra Kumar Rajgarhia (DIN: 00141766) who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that M/s Jagdish Sapra & Co., Chartered Accountants, having firm Registration No. 001378N be and is hereby appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company, subject to annual ratification by the members at the Annual General Meeting in accordance with the provisions of section 139 of the Companies Act, 2013 and rules thereunder at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement, amended upto the date, Shri Satram Lokumal Keswani (DIN: 00190790), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, not liable to retire by rotation and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

5. To consider, and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED that Shri Harpal Singh Chawla (DIN 00025492), who was appointed as an additional director of the Company by the Board of Directors with effect from 06th February, 2014 in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 200, 203 read with **Schedule - V** and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules and guidelines for managerial remuneration issued by Central Government time to time and subject to the approval of Central Government, if necessary, and such other approval, permissions and sanctions as may

be required and clause 49 of the Listing Agreement, amended up to the date approval of the members of the company be and is hereby accorded to the re-appointment of Shri Sanjay Rajgarhia, (DIN : 00154167) as Managing Director of the Company for a period of five (5) years w.e.f. July 1, 2014 upon the terms and conditions set out below:"

1. **Basic Salary:** Rs.1,25,000/- (Rupees One lac twenty five thousand only) per month w.e.f. July 1, 2014.
2. Rent free accommodation subject to a ceiling of 60% of salary. In case no accommodation is provided he will be entitled to House Rent Allowance subject to a ceiling of 60% of salary.
3. Expenses pertaining to furnishing, Gas, Electricity, water and other utilities will be borne / reimbursed by the Company.
4. Expenses pertaining to services of a guard / watchman, a gardener and a servant employed at his residence shall be borne / reimbursed by the Company.
5. Medical expenses actually incurred including premium paid for medical insurance policy for self, wife and dependents subject to the condition that the total cost to the Company shall not exceed one month's salary per year or three month's salary in a period of 3 years.
6. Reimbursement of actual travelling expenses for self and family for proceeding on leave once in year to and from any place in India or outside India subject to the condition that the total cost to the Company shall not exceed one month's salary per year or two month's salary in a period of 2 years.
7. Reimbursement of membership fees in respect of clubs subject to a maximum of two clubs.
8. Personal accident insurance premium not exceeding Rs.4, 000/-.
9. Contribution to provident fund and / or superannuation fund and payment of gratuity in accordance with the rules of the Company.
10. Leave and Leave encashment as per rules of the Company.
11. Free use of Company's car with driver, telephone, fax / internet facility at his residence.

The perquisites shall be evaluated as per Income Tax Rules, 1962.

RESOLVED FURTHER THAT Shri Sanjay Rajgarhia will be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

RESOLVED FURTHER THAT Shri Sanjay Rajgarhia will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof

"FURTHER RESOLVED THAT In the event of loss or inadequacy of profit in any financial year during his tenure of Shri Sanjay Rajgarhia as Managing Director, the remuneration and perquisites as given above or such remuneration as would be permissible under Section II in Part II of Schedule V, having regard to the effective paid up capital of the company, shall be paid to him as minimum remuneration for a period of three years from the date of appointment.

The Board recommends the proposed resolution for your approval.

By Order of the Board
for Perfectpac Limited

PLACE: NEW DELHI
DATED: August 13, 2014

R. K. RAJGARHIA
Chairman
Din:- 00141766

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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The explanatory statement pursuant to section 102(1) of the Companies Act, 2013 in respect of Special Business as set out above is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **26th September, 2014 to 29th September, 2014** (both days inclusive).
4. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
5. The Company's share capital had been dematerialized under ISIN "INE759I01016", with both the Depository i.e. NSDL and CDSL. Shareholders who have not been dematerialized their shares may opt the same accordingly.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

a) amehta@perfectpac.com

b) admin@skylinerta.com

The Notice of the AGM alongwith the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

7. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Shareholders may exercise their option to participate through electronic voting system and the Company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link www.evoting.nsdl.com during the following voting period:

Commencement of e-voting : From 9.00 A.M. on **September 22, 2014**

End of e-voting : Upto 6.00 P.M. on **September 24, 2014**

E-voting shall not be allowed beyond 6.00 P.M., on **September 24, 2014**. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date of e-voting is **August 22, 2014**.

- (b) The Company has engaged the services of Skyline Financial Services Private Limited as the Authorized Agency to provide e-voting facilities.
 - (c) The Company has appointed Mr Ravi Sharma (FCS 4468), a Practicing Company Secretary, CP No. 3666, as 'Scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
 - (d) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, alongwith physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository participants are being forwarded the login ID and password for e-voting by e-mail.
 - (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.
It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10 A.M. to 6 P.M.) on all working days except Sunday, up to and including the date of the Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

Item No. 4

Shri Satram Lokumal Keswani is a Non-Executive Independent Director of the Company, He has joined the Board of Directors of the Company on 30th January, 2008.

Shri Satram Lokumal Keswani age 82 years, has a varied and rich experience in the field of Pulp and Paper Technology.

He also hold directorship in following Companies:-

1. Prakash Industries Ltd.
2. Chemprojects Consulting (P) Ltd.
3. Fuelco Corp. (India) Ltd.
4. Fuelco Power and Mining Ltd.
5. Fuelco Ispat (India) Ltd.
6. Fuelco Washeries (India) Ltd.

The provisions of the Companies Act, 2013 with respect to the appointment and tenure of the Independent Directors have come into effect. The Board of Directors of the Company has decided to adopt the provisions with respect to the appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. The transition to the Companies Act, 2013 will be managed by appointing Shri Satram Lokumal Keswani as an Independent Director to hold office for five consecutive years for a term up to 31st March, 2019."

In the opinion of the Board, Shri Satram Lokumal Keswani fulfills the conditions specified in the Companies Act, 2013 for such an appointment and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. He also meets the criteria of independence as prescribed under section 149(6) read with Schedule IV of the Companies Act, 2013 and Listing Agreement and that the proposed Director is Independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services on the Board of the Company. Accordingly, the Board recommends the resolution in relation to the appointment of Shri Satram Lokumal Keswani as an Independent Director, for the approval by the Shareholders of the Company.

Except Shri Satram Lokumal Keswani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in item No. 4.

Item No. 5

Shri Harpal Singh Chawla has done MBA (Finance) from Graduate School of Management, Boston University, USA and has an experience of 20 years, was appointed as an Additional Director of the Company on 6th February, 2014 in terms of Article 54 of the Articles of Association of the Company and as per provisions of the Companies Act, 2013. He holds office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received a notice in writing under Section 160 of the Companies act, 2013 from a member of the Company signifying his intentions to propose the appointment of Shri Harpal Singh Chawla as a Director of the Company.

Shri Harpal Singh Chawla age 52 years has a vast experience in finance. He also holds Directorship in following companies:

- 1 Yamuna Holdings And Trading Company Pvt. Ltd.
- 2 Jsps Properties Private Limited
- 3 Ctc Projects Private Limited
- 4 Indus Clothing Limited
- 5 Anandam Infradevelopers Private Limited
- 6 Astute Properties Private Limited
- 7 Chawla Tecno Construct Limited
- 8 Brahma Beverages Private Limited
- 9 Emporio Infrastruture Private Limited
- 10 Perfectpac Limited
- 11 Magnet Builders Private Limited
- 12 Ch Estates Lip
- 13 Maya Highrise Private Limited
- 14 Ch Estates Holding Private Limited

The provisions of the Companies Act, 2013 with respect to the appointment and tenure of the Independent Directors have come into effect. The Board of Directors of the Company has decided to adopt the provisions with respect to the appointment and tenure of the Independent Directors which is consistent with the Companies Act, 2013 and the amended listing agreement. The transition to the Companies Act, 2013 will be managed by appointing Shri Harpal Singh Chawla as an Independent Director to hold office for five consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Shri Harpal Singh Chawla fulfills the conditions specified in the Companies Act, 2013 for such an appointment and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. He also meets the criteria of independence as prescribed under section 149(6) read with Schedule IV of the Companies Act, 2013 and Listing Agreement and that the proposed Director is independent of the management.

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail his services on the Board of the Company. Accordingly, the Board recommends the resolution in relation to the appointment of Shri Harpal Singh Chawla as an Independent Director, for the approval by the Shareholders of the Company.

Except Shri Harpal Singh Chawla, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in item No. 5.

Item No. 6

Shri Sanjay Rajgarhia was appointed as Managing Director of the Company w.e.f. July, 2009 for a period of five (5) years which term expired on June 30, 2014. The Board at its meeting held on August 13, 2014 re-appointed Shri Sanjay Rajgarhia as Managing Director of the Company for a further period of five (5) years w.e.f. July 1, 2014 and approved the payment of remuneration as recommended by Remuneration Committee and as proposed in the resolution, subject to the approval of Shareholders.

Under Section 196 of the Companies Act, 2013, this appointment requires members' approval by way of an ordinary resolution. However, in terms of Schedule - V of the Companies Act, 2013, to provide for minimum remuneration in the event of loss or inadequacy of profits in any financial year, a special resolution is required to be passed by the members approving payment of remuneration for a period of 3 years. The proposed special resolution is for appointment and payment of minimum remuneration. The information required to be given as per Section II of Part II of Schedule - V of the Companies Act, 2013 in the context of above appointment is given below:

1. GENERAL INFORMATION

- a. **Nature of industry:** The Company's activities can be classified under the Packaging Industry, manufacturing, Corrugated Fiberboard 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, 2014**

	(Rs. In lacs)
Net sales	8405.58
Net Loss	(136.59)
EPS	(10.61)

2. INFORMATION ABOUT THE APPOINTEE

Shri Sanjay Rajgarhia, aged 51 years, is a successful industrialist having over 26 years of experience in the field of paper and packaging industry. He has been associated with the Company for the last 25 years in different capacities and has been the Managing Director for the last 20 years. Shri Sanjay Rajgarhia has managed the Company competently over the past years and helped it in becoming a successful business entity in the industry. He was responsible for setting up and expansion of the EPS unit at Faridabad and for setting up the modern Automatic Corrugated Fiberboard Containers unit at Greater Noida. He is a well known personality in the paper and packaging industry and member of various industry related associations. His present remuneration is Rs.1, 25,000 per month and perquisites as approved by the shareholders in the Annual General Meeting held on 27.09.2012. The remuneration proposed to be paid to Shri Sanjay Rajgarhia is set out in the resolution.

a) Job profile

Shri Sanjay Rajgarhia is the Managing Director of the Company and is looking after the overall activities of the company and management and the Company has been seeing steady growth during his tenure. Considering his

performance, your Board is of the opinion that the service of Shri Sanjay Rajgarhia as Managing Director is required to be availed for all round growth and development of the Company.

b) Comparative remuneration in the industry

No such data is available with the Company. But the Board is of the view that the remuneration paid / to be paid by the company is totally in line with the performance made by the company under his dedicated services.

c) Pecuniary relationship and relationship with managerial persons.

Shri Sanjay Rajgarhia's pecuniary relationship is limited to the remuneration receives in the capacity of Managing Director.

He is related to Shri R K Rajgarhia, Chairman as Son.

3. OTHER INFORMATION

The Profitability of the Company during the year was adversely affected due to overall sluggish economic conditions and sharp increase in input prices. The Management is making vigorous efforts to counter these factors and improve working and profitability of the Company. However, there could be events or external factors beyond the control of the company which would influence company's profitability. Hence it is necessary to provide for minimum remuneration to adequately compensate the Managing Director in case of any such eventuality.

4. DISCLOSURE

The appointment and the remuneration have been approved by the remuneration committee and the Board of Directors in their respective meeting held on 13.08.2014.

None of the Director except Shri Sanjay Rajgarhia and Shri R K Rajgarhia is interested or concerned in the said resolution.

The Board recommends the proposed resolution for your approval.

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 Rajendra Kumar 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 76 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 fifty 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 Industry

By Order of the Board
for Perfectpac Limited

PLACE: NEW DELHI
DATED: August 13, 2014

R. K. RAJGARHIA
Chairman
Din:- 00141766

DIRECTORS' REPORT

To the Members,

Your Directors present their 42nd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

	For the Year ended 31.03.2014	(Rs. in lacs) For the Year ended 31.03.2013
Net Sales/Income from operations	8405.58	9726.90
Other Income	75.41	103.30
Total Income	8480.99	9830.20
Profit before interest, depreciation and exceptional items	192.16	478.06
Less: Interest	209.76	262.11
Gross Profit/(Loss)	(17.60)	215.95
Less: Depreciation	175.65	189.03
Profit/(Loss) before exceptional items	(193.25)	26.92
Less: Exceptional items	-	-
Profit/(Loss) from ordinary activities before tax	(193.25)	26.92
Less: Provision for income tax		
- Current Tax	-	5.25
- Deferred tax	(56.66)	3.06
- Income Tax related to previous year	-	2.77
- MAT Credit Entitlement	-	(5.25)
Net profit/(Loss) from ordinary activities after tax	(136.59)	21.09
Extraordinary activities (net of tax expenses)	-	-
Net profit/(Loss)	(136.59)	21.09
Add: Balance brought forward from previous year	660.21	643.80
	523.62	664.89
APPROPRIATION		
Dividend on Preference Shares	4.00	4.00
Corporate dividend tax	0.68	0.68
Balance carried to balance sheet	518.94	660.21
	523.62	664.89
Earnings per share (Rs.)	(10.61)	1.23

OPERATIONS AND PROSPECTS

The Profitability of the Company during the year was adversely affected due to overall sluggish economic conditions. The turnover has decreased from Rs.97.27 Crore to **Rs.84.06** Crore and poor off take of its products and rising input costs have resulted in a Net Loss (before tax) of Rs.193.25 lacs during the year. The Management is in the process of disposing off the assets of the Faridabad Plant and repay its long term and short term debts to reduce the interest burden of the Company.

DIVIDEND

The Company paid an interim dividend @ 8% on 50000 Cumulative Redeemable Preference Shares of Rs.100/- each, for the period from April 1, 2013 to March 31, 2014 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.

DIRECTORS

Shri R K Rajgarhia retires by rotation and being eligible offer himself for re-appointment.

Shri Harpal Singh Chawla was appointed as an Additional Director by the Board on 06.02.2014. His appointment as Additional Director is valid till the commencement of the forthcoming Annual General Meeting. The Company has received a notice u/s 160 of the Companies Act, 2013 from a member of the Company signifying his intention to propose the appointment of Shri Harpal Singh Chawla as an Independent Director of the Company.

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.60,00,000/- in a year or Rs.5,00,000/- 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:

That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.

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.

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.

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 13, 2014

R. K. RAJGARHIA
Chairman
Din:-00141766

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 taking concentrated steps to optimize use of energy and reduce the consumption per unit of production. The steps include installation of waste heat recovery System.

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

The Company is continuously analyzing recurring quality problems to reduce processing cost and improvement in product performance. As a result of the above R&D losses due to quality problems were reduced.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs.)

	<u>2013-14</u>	<u>2012-13</u>
Earnings	6,31,500	14,25,112
Outgo	7,87,27,350	10,97,24,105

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, 2014, the Board is comprised of 4 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 2013 – 14 five Board meetings were held on 30.05.2013, 13.08.2013, 12.11.2013, 30.11.2013 and 06.02.2014.

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	5	5	3	2	-	No
2	Shri S L Keswani	Non Executive & Independent	5	5	5	1	-	No
3	Shri Harpal Singh Chawla	Non Executive & Independent	1	1	2	-	-	No
4	Shri Sanjay Rajgarhia	Managing Director	5	5	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 of the Annual Report.

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

3. Managerial/Directors' Remuneration

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 the Managing Director during 2013-14 is as under:-

Sl. No.	Name of the Directors	Salary	Perquisites and other Benefits	Total
1	Shri Sanjay Rajgarhia	15,00,000	14,85,834	29,85,834

The details of sitting fee paid to the other Directors during 2013 – 2014 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 Harpal Singh Chawla	5,000	5,000

4. Remuneration Committee

The Remuneration Committee was reconstituted comprising of Shir S L Keswani and Shri Harpal Singh Chawla, all being independent and non-executive directors. The non-executive directors are paid sitting fee for the Board Meeting attended by them. The non-executive directors are not paid remuneration in any other form.

5. 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 S L Keswani 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

3 Shareholders' complaints were received during the year 2013-2014 and all of them have been resolved.

There were no pending share transfers as on 31.03.2014.

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
2013	Bipin Chandra Memorial Bhavan, A-81, Chittaranjan Park, New Delhi-110019	27.09.2013	03.30 P.M.
2012	New Delhi YMCA Tourist Hostel, Jai Singh Road, New Delhi-110021	27.09.2012	11.30 A.M.
2011	Vishwa Yuvak Kendra, Opp. Police Station, Chanakyapuri, New Delhi-110021	28.09.2011	11.30 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 2013 - 14 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.
- 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 Financial Express and Hari Bhoomi (Delhi Edition).

12. General Shareholder Information**A. Annual General Meeting: -**

Date : 29th September, 2014 (Monday)

Time : 11.30 A.M.

Venue : The Executive CLUB, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi - 110074

B. Financial Calendar for 2014 - 2015

Adoption of Quarterly Results Ended	In the month of
30 th June, 2014	August 13, 2014
30 th September, 2014	November 14, 2014
31 st December, 2014	February 13, 2015
31 st March, 2015 (Audited Annual Accounts)	May 15, 2015 (May 30, 2015)

C. Date of Book Closure

From 26th September, 2014 to 29th September, 2014 (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 2013 – 2014 have been paid to the above Stock Exchanges.
Demat ISIN No. in NSDL and CDSL for equity shares INE-759101016

E. Shareholding Pattern of the Company as on 31st March 2014.

Category	No. of Shares Held	%age of share-holding
a) Promoters/persons acting in concern	955468	71.74
b) Banks, Financial Institutions, Insurance Companies	886	0.07
c) NRIs/OCBs	70	0.01
d) Other Corporate bodies	8559	0.64
e) Indian Public	366917	27.54
Total	1331900	100.00

F. Distribution of shareholding as on 31st March, 2014

Range No. of shares	Shareholders		Shares	
	Number	% to Total Holders	Number	% to Total Capital
Upto 500	2423	96.03	222605	16.71
501 1000	58	2.30	41312	3.10
1001 2000	19	0.75	26743	2.01
2001 3000	4	0.16	9868	0.74
3001 4000	5	0.20	17090	1.28
4001 5000	2	0.08	8800	0.66
5001 10000	4	0.16	21134	1.59
10001 And above	8	0.32	984348	73.91
Total	2523	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, 2014.

No. of shares dematerialized	1041563	78.20% of the total share capital
No. of shareholders in D-mat Form	584	23.15% of the total No. of shareholders

J. Market Share Price Data (Rs.)

Month	Bombay Stock Exchange Limited	
	High	Low
April 2013	51.70	46.95
May 2013	44.65	44.65
June 2013	69.80	46.85
July 2013	60.50	54.50
August 2013	54.35	46.65
September 2013	44.35	31.10
October 2013	29.55	24.35
November 2013	34.20	23.55
December 2013	34.50	30.90
January 2014	30.75	26.65
February 2014	40.10	29.25
March 2014	38.10	29.70

K. Plant Location of the Company

1. Plot No. 134, Sector-24, Faridabad (Haryana)-121005
Tel. : 0129-2233223, 2234264
Fax : 0129-2230014
Email : info@perfectpac.com
2. Plot No.1B/1C, Udyog Vihar, Greater Noida (U. P.)-201306
Telfax : 0120-4296392
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. : 011-26441015-17, Fax : 011-26441018
E-mail : amehta@perfectpac.com

2. Registrars and Share Transfer Agent

M/s Skyline Financial Services Pvt. Limited
D-153A, 1st Floor
Okhla Industrial Area, Phase-I
New Delhi-110 020
Tel : 011-26812682-83, Fax: 011-30857562
E-mail : admin@skylinerta.com

by Order of the Board
for Perfectpac Limited

PLACE: NEW DELHI
DATED: August 13, 2014

R. K. RAJGARHIA
Chairman
Din:- 00141766

INDEPENDENT AUDITORS' REPORT

To
The Members of
PERFECTPAC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Perfectpac Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

**For JAGDISH SAPRA & CO.
(Firm Registration No. 001378N)
CHARTERED ACCOUNTANTS**

PLACE : NEW DELHI
DATED : May 30, 2014

**(CA : VIPAL KALRA)
PARTNER
Membership No. 084583**

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on other Legal & Regulatory requirements section 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.
- 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 fixed 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 (except in transit) have been physically verified during the year by the management. 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 loans from Managing Director and three Companies covered in the Register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved in the transaction was Rs 5.29 Crores and balance outstanding at the year end was Rs 1.60 Crores.
- d) In our opinion the rate of interest and other terms and conditions of loans 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 loans 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 observed any weakness in such internal control system.
- 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. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for maintenance of cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

- 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.

We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable, except Employees' State Insurance dues of Rs. 20,722/-

- 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, Customs Duty, Excise Duty & Cess which have not been deposited on account of any dispute other than those mentioned below:

Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs.)
ESIC	1985-86 & 1986-87	High Court of Punjab & Haryana	154,649
Income Tax & Fringe Benefit Tax	2002-03, 2005-06, 2009-10, 2010-11	Deputy Commissioner	190,387

- x. The Company has no accumulated losses as at the end of the financial year. The Company has incurred cash losses during the current year but not in 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 & financial institution. 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 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, 1956.
- 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.
- 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.

For JAGDISH SAPRA & CO.
(Firm Registration No. 001378N)
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : May 30, 2014

(CA : VIPAL KALRA)
PARTNER
Membership No. 084583

BALANCE SHEET AS AT 31st MARCH, 2014

(Rupees)

	Note	As at 31st March, 2014		As at 31st March, 2013	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	18,326,215	18,326,215		
(b) Reserves and surplus	3	82,361,310	100,687,525	96,507,313	114,833,528
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	55,297,348		51,442,639	
(b) Deferred tax liabilities (Net)	5	10,100,321		15,766,384	
(c) Other Long term liabilities	6	3,053,516	68,451,185	1,058,314	68,267,337
3 CURRENT LIABILITIES					
(a) Short-term borrowings	7	147,067,947		77,841,890	
(b) Trade payables	8	124,451,895		140,585,821	
(c) Other current liabilities	9	15,508,735		30,151,979	
(d) Short-term provisions	10	467,980	287,496,557	1,894,481	250,474,171
TOTAL			456,635,267		433,575,036
II ASSETS					
1 NON-CURRENT ASSETS					
(a) Fixed assets				185,671,345	
(i) Tangible assets	11	170,849,936		1,186,104	
(ii) Intangible assets	11	843,654		713,550	
(iii) Capital work-in-progress	12	1,321,065		-	
(iv) Non current Investments	13	2,000,000			
(b) Long-term loans and advances	14	1,910,351	176,925,006	1,777,546	189,348,545
2 CURRENT ASSETS					
(a) Inventories	15	78,327,618		77,233,488	
(b) Trade receivables	16	144,139,723		124,338,093	
(c) Cash and cash equivalents	17	17,867,433		6,763,039	
(d) Short-term loans and advances	18	39,375,487	279,710,261	35,891,871	244,226,491
TOTAL			456,635,267		433,575,036

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF FINANCIAL STATEMENTS

In terms of our Report attached
for JAGDISH SAPRA & CO.
(Firm Registration No. 001378N)
CHARTERED ACCOUNTANTS

for and on behalf of the Board

(Vipal Kalra)
Partner
M. No.: 084583

PLACE : NEW DELHI
Dated : May 30, 2014

Directors

Managing Director

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014

(Rupees)

	Note	Year Ended 31st March, 2014	Year Ended 31st March, 2013
I Revenue from operations	19	840,558,152	972,689,599
II Other income	20	7,541,445	10,329,597
III Total Revenue		<u>848,099,597</u>	<u>983,019,196</u>
IV EXPENSES:			
a Cost of materials consumed	21	613,902,173	692,318,164
b Purchase of Stock-in-Trade	22	3,370,293	11,351,510
c Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(1,217,477)	3,148,604
d Employees benefits expense	24	65,774,315	70,709,796
e Finance costs	25	20,975,829	26,211,141
f Depreciation and amortisation expense	26	17,584,940	18,922,946
Less: Transferred from Revaluation Reserve		<u>19,490</u>	<u>19,490</u>
g Other expenses	27	147,053,609	157,685,001
Total Expenses		<u>867,424,192</u>	<u>980,327,672</u>
V Profit/(Loss) before tax		(19,324,595)	2,691,524
VI Tax expense:			
a Current tax		-	525,000
b Earlier years tax		-	276,840
c Deferred tax		(5,666,063)	305,785
d Mat Credit Entitlement		-	(525,000)
VII Profit/(Loss) for the year (V-VI)		(13,658,532)	2,108,899
VIII Earning per equity share:	34		
a Basic (Rs.)		(10.61)	1.23
b Diluted (Rs.)		(10.61)	1.23

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF FINANCIAL STATEMENTS

In terms of our Report attached
for JAGDISH SAPRA & CO.
(Firm Registration No. 001378N)
CHARTERED ACCOUNTANTS

for and on behalf of the Board

(Vipal Kalra)
Partner
M. No. : 084583

PLACE : NEW DELHI
Dated : May 30, 2014

Directors

Managing Director

(19)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	Year ended 31st March, 2014 (Rs.)	Year ended 31st March, 2013 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES	(19,324,595)	2,691,524
Net Profit/(loss) before Tax & Extraordinary items		
Adjustments for:		
Depreciation	17,565,450	18,903,456
(Profit)/loss on sale of fixed Assets & Assets Discarded (Net)	(1,805,750)	(1,081,340)
Interest Paid	20,274,579	26,087,672
Interest received	(1,024,655)	(2,369,365)
Dividend received	(7,358)	0
Operating Profit before working capital changes	15,677,671	44,231,947
Adjustments for:		
Trade and Other Receivables	(23,418,051)	19,876,654
Inventories	(1,094,130)	20,827,750
Trade Payable and Other Liabilities	(25,134,631)	7,327,045
Cash Generated from Operations	(33,969,141)	92,263,396
Direct Taxes Paid (including deferred tax)	5,666,063	(582,625)
Cash Flow before extraordinary items	(28,303,078)	91,680,771
Extraordinary Items	0	0
Net Cash from Operating Activities	(28,303,078)	91,680,771
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets, Including capital work in progress	(6,209,174)	(48,739,838)
Purchase of Investments	(2,000,000)	0
Sale of Fixed Assets	4,986,327	9,801,340
Interest received	1,024,655	2,369,365
Dividend received	7,358	0
Net Cash from Investing Activities	(2,190,834)	(36,569,133)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Long Term Borrowings	(36,885,192)	(20,608,543)
Proceeds of Long Term Borrowings	30,000,000	22,373,000
Net proceeds of Short Term Borrowings	69,226,057	(31,729,319)
Dividend & Dividend Tax Paid	(467,980)	(467,890)
Interest Paid	(20,274,579)	(26,087,672)
Net Cash from Financing Activities	41,598,306	(56,520,424)
Net Increase in Cash and Cash Equivalents (A+B+C)	11,104,394	(1,408,786)
Cash and Cash Equivalents as at 1st April, Opening Balance	6,763,039	8,171,825
Cash and Cash Equivalents as at 31st March, Closing Balance	17,867,433	6,763,039

Note: Figures in brackets represent outflow.

In terms of our Report attached
for JAGDISH SAPRA & CO.
(Firm Registration No. 001378N)
CHARTERED ACCOUNTANTS

(Vipal Kalra)
Partner
M. No. : 084583

PLACE : NEW DELHI
Dated : May 30, 2014

for and on behalf of the Board

Directors

Managing Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**1. SIGNIFICANT ACCOUNTING POLICIES****a) BASIS FOR PREPARATION OF ACCOUNTS**

The financial statements have been prepared in compliance with all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, as amended and the other relevant provisions of Companies Act, 1956, read with General Circular No.15/2013 dated 13th September, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of Companies Act, 2013. Financial statements are based on historical cost and are prepared on accrual basis. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and the criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities.

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) DEPRECIATION/AMORTISATION**Tangible Assets**

- i) Depreciation on fixed assets is provided on straight line method (SLM) at the 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.

d) 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.

e) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at the lower of cost or fair value. Long term investments are carried at cost less permanent diminution in value, if any.

f) REVENUE RECOGNITION

Sale of goods is recognised at the point of dispatch to the customer. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. Sales are recorded net of, Sales tax, return / rebate and trade discounts.

Earnings from investments, are accrued or taken into revenue in full on declaration or receipts.

Profit/loss on sale of raw materials and stores stand adjusted in their consumption account.

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 Statement of Profit & Loss 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 contribution is charged to the Statement of Profit and Loss.

Liability on account of employee benefits comprising of compensated absences is determined on the basis of actuarial valuation carried out by the Insurer's actuary at the end of financial year which is paid to the LIC of India and Canara Bank, HSBC, Oriental Bank of Commerce Life Insurance Company Ltd. Company's contribution is charged to Statement of Profit and Loss.

Liability on account of 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) IMPAIRMENT OF ASSETS

Regular review is done to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any such indication exists, impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts. In case there is any indication that an impairment loss recognized for an asset in prior accounting periods no longer exists or may have decreased, the recoverable value is reassessed and the reversal of impairment loss is recognized as income in the Statement of Profit and Loss.

k) FOREIGN EXCHANGE TRANSACTIONS

Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year and rates. The resultant gain/loss upon such restatement alongwith the gain/loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss.

l) 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 TO THE ACCOUNTS

(Rupees)

NOTE 2 : SHARE CAPITAL	As at		As at	
	31st March, 2014		31st March, 2013	
AUTHORISED:				
2,000,000 (2,000,000) Equity Shares of Rs.10 each		20,000,000		20,000,000
125,000 (125,000) 8% Cumulative Redeemable Preference Shares of Rs.100 each		12,500,000		12,500,000
		<u>32,500,000</u>		<u>32,500,000</u>
ISSUED, SUBSCRIBED AND PAID UP:				
1,331,900 (1,331,900) Equity Shares of Rs 10 each fully paid up in cash	13,319,000		13,319,000	
Add: Forfeited Shares	7,215	13,326,215	7,215	13,326,215
50,000 (50,000) 8% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up (redeemable at par after 1st February, 2014)		5,000,000		5,000,000
		<u>18,326,215</u>		<u>18,326,215</u>

RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES**Equity Shares :**

The Company has one class of Equity Shares having at par value of Rs 10/- each. Each shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the company, the equity shareholders will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Preference Shares :

Preference shares have at par value of Rs. 100/- each redeemable at par after 1st February, 2014. These shares carry a fixed cumulative dividend of 8% per annum. The preference shareholders are entitled to preferential rights as regards payment of dividends at above fixed rate and right of repayment of capital on winding up.

The details of Shareholders holding more than 5% Equity Shares are given below :-

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
SANJAY RAJGARHIA	395,932	29.73	404,057	30.34
SANJAY RAJGARHIA & SON (HUF)	205,638	15.44	156,228	11.73
ESSVEE FISCAL PVT LTD	126,949	9.53	81,201	6.10
FARIDABAD PAPER MILLS LIMITED	200,277	15.04	244,967	18.39

The detail of Shareholders holding more than 5% Preference Shares are given below :-

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
SANJAY RAJGARHIA	12,750	25.50	12,750	25.50
SANJAY RAJGARHIA & SON (HUF)	10,000	20.00	10,000	20.00
AJAY RAJGARHIA	10,000	20.00	10,000	20.00
ADITI RAJGARHIA	6,500	13.00	6,500	13.00
ESSVEE FISCAL PVT LTD	5,750	11.50	5,750	11.50
VARUN RAJGARHIA	5,000	10.00	5,000	10.00

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
EQUITY SHARES				
Balance at the beginning of the year	1,331,900	13,319,000	1,331,900	13,319,000
Changes during the year	0	0	0	0
Balance at the end of the year	1,331,900	13,319,000	1,331,900	13,319,000
PREFERENCE SHARES				
Balance at the beginning of the year	50,000	5,000,000	50,000	5,000,000
Changes during the year	0	0	0	0
Balance at the end of the year	50,000	5,000,000	50,000	5,000,000

NOTE 3 : RESERVES & SURPLUS

	As at 31st March, 2014	As at 31st March, 2013
Capital Redemption Reserve		
As per last Balance Sheet	5,000,000	5,000,000
Securities Premium Reserve		
As per last Balance Sheet	9,989,250	9,989,250
Revaluation Reserve		
As per last Balance Sheet	5,817,384	5,836,874
Less: Adjusted during the year	19,490	19,490
General Reserve		
As per last Balance Sheet	9,679,840	9,679,840
Surplus in Statement of Profit and Loss :		
As per last Balance Sheet	66,020,839	64,379,830
Add: Net profit/(Loss) after tax transferred from Statement of Profit & Loss	(13,658,532)	2,108,899
	52,362,306	66,488,729
Less: Appropriations :		
Proposed Dividend-Preference Shares	400,000	400,000
Corporate Dividend Tax	67,980	67,890
Closing Balance	51,894,326	66,020,839
	82,361,310	96,507,313

NOTE 4 : LONG TERM BORROWINGS

	As at 31st March, 2014	As at 31st March, 2013
Secured Term Loans from Banks:	30,991,737	19,216,586
Secured Term Loans from others:	6,729,553	10,726,053
Unsecured Loans		
Related Parties	11,576,058	15,500,000
Other Companies	6,000,000	6,000,000
	55,297,348	51,442,639

**STATEMENT OF SECURITIES GIVEN AND TERMS OF REPAYMENT OF LOANS
AS AT 31st March, 2014**

BANKER'S NAME			SECURITY GIVEN	INSTALMENTS OUTSTANDING	MATURITY	(Rupees)
	Non Current	Current				Rate of Interest %
Secured term loans from Banks						
HDFC Bank Ltd.	-	66,191	Against Vehicle	10	Jan-15	9.25
HDFC Bank Ltd.	-	66,191	Against Vehicle	10	Jan-15	9.25
HDFC Bank Ltd.	147,634	89,083	Against Vehicle	29	Aug-16	11.00
Canara Bank	431,510	147,884	Against Vehicle	41	Aug-17	11.50
Canara Bank	264,959	94,497	Against Vehicle	40	Jul-17	11.50
Kotak Mahindra Bank Ltd.	-	81,107	Against Vehicle	3	Jun-14	8.50
Kotak Mahindra Bank Ltd.	-	81,107	Against Vehicle	3	Jun-14	8.50
HDFC Bank Limited	147,634	89,083	Against Vehicle	29	Aug-16	11.00
HDFC Bank Ltd.	-	29,117	Against Vehicle	4	Jul-14	10.50
HDFC Bank Ltd.	-	298,962	Against Vehicle	9	Dec-14	8.25
Canara Bank	30,000,000	-	*	48	Oct-20	13.20
Total	30,991,737	1,043,222				

* First charge by way of hypothecation of stocks and book debts of the company and also secured by way of personal guarantee of Managing Director of the Company.

Secured Term Loans from Others

From a Financial Institution	4,804,000	2,496,000		44	Nov-17	13.25
From a Financial Institution	1,925,553	1,500,000		35	Feb-17	13.25
Total	6,729,553	3,996,000				

* First charge by way of hypothecation of movable assets including plant & machinery/equipments etc. acquired/ to be acquired under the project/ scheme & also secured by way of personal guarantee of Managing Director of the Company. The loan assistance to the extent of Rs. 100 lacs is covered under CGTMSE.

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Assets:		
Employees Benefits	183	565
Unabsorbed Depreciation	<u>8,714,984</u>	<u>1,864,461</u>
	<u>8,715,167</u>	<u>1,865,026</u>
Deferred Tax Liability:		
Difference between Book Depreciation and Depreciation under the Income Tax Rules	<u>18,815,488</u>	<u>17,631,410</u>
	<u>18,815,488</u>	<u>17,631,410</u>
Deferred Tax Liability (Net)	<u>10,100,321</u>	<u>15,766,384</u>

NOTE 6 : OTHER LONG-TERM LIABILITIES

	As at 31st March, 2013	As at 31st March, 2012
Security Deposits	<u>3,053,516</u>	<u>1,058,314</u>
	<u>3,053,516</u>	<u>1,058,314</u>

NOTE 7 : SHORT TERM BORROWINGS

	As at 31st March, 2014	As at 31st March, 2013
Secured loans repayable on demand:		
From Banks		
Cash Credit Loans*	74,880,259	49,844,970
Other Loans **	17,106,818	15,581,208
Unsecured Loans from Related Parties :		
From Managing Director	1,080,870	1,880,870
From Companies	-	6,534,842
Unsecured Loans from Other Companies	<u>54,000,000</u>	<u>4,000,000</u>
	<u>147,067,947</u>	<u>77,841,890</u>

- * Secured by first charge by way of hypothecation of Inventories, Book debts and collateral security by way of equitable mortgage of factory land & building & hypothecation of specified Plant & Machineries & other miscellaneous fixed assets of the company at Faridabad unit & second charge by way of equitable mortgage of factory Land & Building & hypothecation of specified Plant & Machineries & other miscellaneous fixed assets at Greater Noida unit and also secured by way of personal guarantee of Managing Director of the company.
- ** Secured against specified book debts

NOTE 8 : TRADE PAYABLES

	As at 31st March, 2014	As at 31st March, 2013
Sundry Creditors		
- Micro Small and Medium Enterprises *	3,784,447	6,217,266
- Others	<u>120,667,448</u>	<u>134,368,555</u>
	<u>124,451,895</u>	<u>140,585,821</u>

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

(Rupees)

NOTE 9 : OTHER CURRENT LIABILITIES

	As at 31st March, 2014	As at 31st March, 2013
Current maturity of long term debt (refer Note 4)		
From Banks	1,043,222	11,847,304
From Others	3,996,000	3,931,819
Interest accrued but not due on borrowings	188,241	173,116
Interest accrued and due on borrowings	4,349,708	6,042,437
Other payables:		
Accrued salaries and benefits	3,426,096	3,784,725
Statutory dues	2,223,627	2,934,468
Creditors for capital goods	-	1,011,620
Advances from customers	281,841	226,490
Advance against sale of fixed assets	-	200,000
	<u>15,508,735</u>	<u>30,151,979</u>

NOTE 10 : SHORT TERM PROVISIONS

	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits		
Gratuity	-	1,426,591
Others		
Dividend on Preference Shares	400,000	400,000
Dividend Tax	67,980	67,890
	<u>467,980</u>	<u>1,894,481</u>

NOTE - 11

FIXED ASSETS

(Rupees)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 01.04.2013	Additions during the year	Other Adjust -ments	Deductions/ Retirement during the year	As at 31.03.2014	As at 01.04.2013	For the year	Deductions/ Retirement during the year	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Free Hold Land	4,037,400	-	-	-	4,037,400	-	-	-	4,037,400	4,037,400
Lease Hold Land	8,893,578	-	-	-	8,893,578	714,116	89,834	-	8,099,628	8,179,462
Buildings	57,011,043	1,814,367	-	-	58,825,410	16,180,640	1,814,349	-	40,830,421	40,830,403
Plant & Equipments	180,667,937	2,455,489	-	7,760,923	175,362,503	68,026,332	11,951,941	4,830,766	100,214,996	112,641,604
Furniture and Fixtures	1,170,307	147,790	-	-	1,318,097	937,924	27,355	-	352,818	232,383
Vehicles	29,545,523	817,086	-	470,233	29,892,376	16,733,558	2,574,472	219,813	10,804,159	12,811,965
Office Equipments	3,038,144	177,768	-	-	3,215,912	1,478,071	194,674	-	1,543,167	1,560,073
Electrical Installations and Fittings	8,915,609	40,010	-	-	8,955,619	4,031,236	386,346	-	4,417,582	4,884,373
Computers	2,164,555	57,361	-	-	2,221,916	1,670,873	111,731	-	439,312	493,682
	295,444,096	5,509,871	-	8,231,156	292,722,811	109,772,750	17,150,702	5,050,579	170,849,936	185,671,345
Intangible Assets										
Computer Software	2,350,771	91,788	-	-	2,442,559	1,164,667	434,238	-	843,654	1,186,104
	2,350,771	91,788	-	-	2,442,559	1,164,667	434,238	-	843,654	1,186,104
Total	297,794,867	5,601,659	-	8,231,156	295,165,370	110,937,417	17,584,940	5,050,579	171,693,590	186,857,449
Previous year	264,589,353	50,247,205	-	17,041,691	297,794,867	100,336,163	18,922,946	8,321,691	186,857,449	186,857,449

(Rupees)

NOTE 12 : CAPITAL WORK IN PROGRESS	As at 31st March, 2014	As at 31st March, 2013
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Machinery under erection	1,321,065	713,550
	<u>1,321,065</u>	<u>713,550</u>

NOTE 13 : NON CURRENT INVESTMENTS	As at 31st March, 2014	As at 31st March, 2013
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UNQUOTED

Long Term Investments- At Cost

Non Trade :-

200(0) Units of IDFC Real Estate Yield Fund of Rs. 1,000 each	2,000,000	-
	<u>2,000,000</u>	<u>-</u>

NOTE 14 : LONG TERM LOANS AND ADVANCES	As at 31st March, 2014	As at 31st March, 2013
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Unsecured considered good :

Capital Advances	-	211,926
Security Deposits	1,859,001	1,501,345
Others Prepaid Expenses	51,350	64,275
	<u>1,910,351</u>	<u>1,777,546</u>

NOTE 15 : INVENTORIES	As at 31st March, 2014	As at 31st March, 2013
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(As taken, valued & certified by the Management- At cost or net realisable value, whichever is lower except waste at estimated realisable value)

i Raw materials Including in transit Rs. 4,318,838/- (previous year Rs.10,412,160/-)	50,248,866	53,190,665
ii Work in progress	4,445,600	2,346,186
iii Finished goods	8,825,287	9,676,049
iv Stores Spares & Loose Tools	14,594,490	11,776,038
v Others - Waste	213,375	244,550
	<u>78,327,618</u>	<u>77,233,488</u>

NOTE 16 : TRADE RECEIVABLES	As at 31st March, 2014	As at 31st March, 2013
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Unsecured Considered good :		
Over Six months	7,585,357	8,727,728
Others	136,554,366	115,610,365
	<u>144,139,723</u>	<u>124,338,093</u>

NOTE 17 : CASH & CASH EQUIVALENTS	As at 31st March, 2014	As at 31st March, 2013
(a) Balances with Banks	11,408,067	905,430
In Current accounts	483,017	2,493,981
(b) Cash in hand (as certified)		
(c) Others :	5,976,349	3,338,628
Bank deposits with more than 3 months maturity	-	25,000
Bank deposits with more than 12 months maturity	<u>17,867,433</u>	<u>6,763,039</u>

NOTE 18 : SHORT TERM LOANS & ADVANCES	As at 31st March, 2014	As at 31st March, 2013
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received		
Other than Related Parties	2,286,561	2,347,227
Against supply of goods and services	992,324	972,277
Prepaid Expenses	7,358	-
Dividend Receivable	596,590	596,590
Mat Credit Entitlement	2,545,537	1,895,600
Advance Income Tax (Net of provision)	20,248,645	17,177,577
Advances with Excise Authorities	1,598,446	1,728,520
Loans and Advances to employees	699,235	699,235
Excess TDS Recoverable	861,392	935,446
Sales tax and ESI Recoverable	9,539,399	9,539,399
Insurance claim receivable	<u>39,375,487</u>	<u>35,891,871</u>

(Rupees)

Note 19 : REVENUE FROM OPERATIONS	Year ended 31.03.2014	Year ended 31.3.2013
Sale of products	896,093,829	1,034,729,849
Sale of services- Job Work Charges	205,561	174,008
Other operating revenues- sale of waste	16,158,921	16,452,485
	912,458,311	1,051,356,341
Less: Excise duty	71,900,159	78,666,743
	840,558,152	972,689,599
Note 20 : OTHER INCOME	Year ended 31.03.2014	Year ended 31.3.2013
Interest Income	1,024,655	2,369,365
Dividend Income	7,358	-
Liabilities & Provisions written back	468,351	2,500,903
Other non operating income		
Rent*	4,018,006	-
Misc Income	217,325	-
Profit on Sale of Fixed assets (Net)	1,805,750	1,081,340
Insurance Claims	-	4,377,989
	7,541,445	10,329,597
* Net of brokerage and repairing etc		
Note 21 : COST OF MATERIALS CONSUMED	Year ended 31.03.2014	Year ended 31.3.2013
Raw Materials Consumed:		
Kraft Paper	415,416,162	510,810,837
Expandable Polystyrene	185,382,770	167,816,175
Others	13,103,241	13,691,152
	613,902,173	692,318,164
Note 22 : PURCHASE OF STOCK IN TRADE	Year ended 31.03.2014	Year ended 31.3.2013
Extruded Polystyrene	1,078,093	6,651,823
Dies and Moulds	2,292,200	4,699,687
	3,370,293	11,351,510
Note 23 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE	Year ended 31.03.2014	Year ended 31.3.2013
STOCK AT THE BEGINNING OF THE YEAR		
Finished Goods	9,676,049	10,980,107
Work in Progress	2,346,186	4,248,182
Others- Waste	244,550	187,100
(A)	12,266,785	15,415,389
STOCK AT THE END OF THE YEAR		
Finished Goods	8,825,287	9,676,049
Work in Progress	4,445,600	2,346,186
Others- Waste	213,375	244,550
(B)	13,484,262	12,266,785
[A-B]	(1,217,477)	3,148,604

Note 24 : EMPLOYEE BENEFITS EXPENSE	Year ended 31.03.2014	Year ended 31.3.2013
Salary, Wages and Bonus	58,549,583	61,838,556
Contribution to Provident and other Funds	2,077,517	3,422,784
Staff Welfare Expenses	5,147,215	5,448,456
	<u>65,774,315</u>	<u>70,709,796</u>
Note 25 : FINANCE COSTS	Year ended 31.03.2014	Year ended 31.3.2013
Interest expense	20,274,579	26,087,672
Other Borrowing costs	701,250	123,469
	<u>20,975,829</u>	<u>26,211,141</u>
Note 26 : DEPRECIATION AND AMORTISATION EXPENSE	Year ended 31.03.2014	Year ended 31.3.2013
Depreciation	17,150,702	18,491,085
Amortisation	434,238	431,861
	<u>17,584,940</u>	<u>18,922,946</u>
Note 27 : OTHER EXPENSES	Year ended 31.03.2014	Year ended 31.3.2013
Consumption of stores and spares	32,213,032	29,136,103
Power, fuel and Electricity	58,302,959	59,175,731
Excise Duty*	(320,748)	122,862
Block, Designs & Job Work	3,875,412	4,540,216
Rent	2,941,706	1,875,062
Rates & Taxes	1,152,159	885,038
Insurance	1,005,638	975,715
Payment to the auditors:		
Statutory Audit	130,000	135,000
For Taxation Matters	-	25,000
For Other services	15,000	15,000
For Reimbursement of expenses	4,800	4,900
Forwarding Expenses**	12,847,673	13,310,004
Vehicle Maintenance	1,150,103	1,384,352
Repairs to Machinery	5,841,488	10,291,469
Repairs to Buildings	1,337,315	1,686,511
Miscellaneous expenses	22,824,108	31,805,272
Exchange Loss	1,713,383	875,865
Prior Period Items (Net)	44,562	(301,764)
Bad debts / advances written off	1,975,019	1,742,665
	<u>147,053,609</u>	<u>157,685,001</u>

*Represents difference between excise duty on opening & closing stock of finished goods & that borne by the Company

**Net of recoveries

(Rupees)

NOTE 29. CONTINGENT LIABILITIES & COMMITMENT (To the extent not provided for)	As at 31.03.2014	As at 31.3.2013
Contingent Liabilities		
a) Interest on Local Area Development Tax recovery of which is stayed by Supreme Court of India	183,000	183,000
b) ESIC demand excluding interest paid under protest Rs.154,649 (Rs.154,649) being contested in appeal	309,298	309,298
c) Letter of credit outstanding	19,185,908	18,195,725
d) Disputed Income Tax	190,387	161,602

NOTE 30. Some of the Sundry Debtors, Advances including Deposits and Current Liabilities are subject to confirmation/reconciliation.

NOTE 31. Advances (Note-18) include amounts of Rs.551,487 (Rs.488,900/-) 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.

NOTE 32. Profit/Loss on sale of raw materials, fuel and stores & spares etc stand adjusted in their consumption Accounts.

NOTE 33. The company has taken Office premises and godown under a cancellable operating lease. The lease is usually renewed by mutual consent on mutually agreeable terms. Total rental expenses under such lease **Rs.2,760,000/-** (Rs.1,693,352).

NOTE 34. I) Disclosures under Accounting Standard (AS)-15 (Revised) **(Rupees)**

a) The Company has calculated the various benefits provided to employees as under :-

Particulars	Year Ended 2013-14	Year Ended 2012-13
Provident Fund	1,875,418	2,231,054
Employees State Insurance	492,411	564,256
Labour welfare fund	5,470	8,751

(Disclosed in the statement of Profit & Loss as contribution to Provident and other Funds)

b) The Company operators post retirement defined benefit plan for retirement gratuity which is funded.

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

Gratuity Scheme Funded Plan :

(A) Reconciliation of opening and closing balances of obligation	Year Ended 31.03.2014	Year Ended 31.03.2013
a) Present value of obligation as at Opening date	5,262,685	5,910,542
b) Current Service Cost	331,764	369,898
c) Interest Cost	481,536	540,815
d) Actuarial (Gain)/Loss	(474,590)	213,471
e) Benefits Paid	-	1,772,041
f) Present value of obligation as at Closing date	5,601,395	5,262,685
(B) Change in Plan Assets (Reconciliation of opening and closing balances)		
a) Fair Value of Plan Assets as at opening date	3,836,094	5,508,135
b) Expected return on Plan Assets	416,270	503,994
c) Actuarial (Gain)/Loss	(101,382)	503,994
d) Contributions	1,550,210	100,000
e) Benefits Paid	-	1,772,041
f) Fair Value of Plan Assets as at Closing date	5,701,192	3,836,094

(C) Reconciliation of fair value of assets and obligations		
a) Present Value of Obligation as at Closing date	5,601,395	5,262,685
b) Fair value of Plan Assets as at Closing date	5,701,192	3,836,094
c) Liability recognized in the Balance Sheet	(99,797)	1,426,591
(D) Expense recognized during the year		
a) Current Service Cost	331,764	369,898
b) Interest Cost	481,536	540,815
c) Expected return on Plan Assets	416,270	503,494
d) Difference plan fund size	-	1,426,091
e) Actuarial (Gain)/Loss	(575,962)	(709,126)
f) Expense recognized during the year	(178,932)	1,124,184
(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%

NOTE 35. Earning Per Share (EPS)

- Profit attributable to the Equity Shareholders (Rs.) (A)	(14,126,512)	1,641,009
Basic/Weighted average No. of Equity Shares outstanding (B)	1,331,900	1,331,900
- Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning Per Share (Rs.) (A/B)	(10.61)	1.23

NOTE 36. Related Party Disclosures under Accounting Standard (AS)-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., 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, Relatives - Smt. Pooja Rajgarhia.
- b) Transactions with Related Parties :

Nature of Transation	Enterprises owned or significantly influenced by Key Management Personnel	Key Management Personnel and their relatives
(i) Expenses		
Remuneration to directors	-	2,985,834
	(-)	(2,931,425)
Directors sitting fees	-	20,000
	(-)	(20,000)
Interest paid	3,531,348	175,908
	(4,873,136)	(452,251)
Salary and allowances	-	777,880
	(-)	(801,766)
Rent Paid	144,000	-
	(90,000)	(-)

(a) INCOME		
Sale of Goods	5,411,637	-
	(4,900,826)	(-)
(b) UNSECURED LOANS		
Accepted:	48,283,337	1,900,000
	(32,050,000)	(1,750,000)
Repaid	63,127,943	3,107,026
	(47,509,832)	(2,528,218)
(iv) BALANCES AS ON 31st MARCH 2014		
Unsecured Loans outstanding	14,754,271	1,239,188
	(26,420,664)	(2,287,896)
Creditors	-	109,190
	(-)	(199,895)

Note : In respect of above parties there is no provision for doubtful debts as on 31.03.2014 and no amount has been written off or written back during the year in respect of debts due from/to them.

NOTE 37. As per Accounting Standard (AS)-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.

NOTE 38. Value of Sales, Opening stock & Closing stock of Finished & Traded Goods.

Product	Sales	Stock (Rupees)	
		Opening	Closing
(i) Corrugated Board Boxes	582,194,338	7,656,296	5,724,343
	(738,348,348)	(7,090,466)	(7,656,296)
(ii) Expanded polystyrene	307,117,336	2,019,753	3,100,944
	(281,867,175)	(3,889,641)	(2,019,753)
(iii) others	6,782,155	-	-
	(14,514,325)	(-)	(-)

NOTE 39. Value of raw materials, stores, spare parts consumed & percentage of each to total consumption :-

	Amount	Amount	Percentage
(i) Raw Materials			
Imported	74,802,019	(85,960,442)	12.18 (12.42)
Indigenous	539,100,154	(606,357,722)	87.82 (87.58)
(ii) Stores & Spare Parts			
Imported	916,264	(772,656)	2.84 (2.65)
Indigenous	31,296,768	(28,363,477)	97.16 (97.35)

NOTE 40. There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. Further, no interest during the year has been paid or payable under the terms of MSMED Act, 2006 :-

NOTE 41. C.I.F. Value of Imports	(Rupees)	
	Amount	Amount
(i) Capital Goods	-	(32,804,305)
(ii) Raw Materials	73,312,600	(65,107,724)
(iii) Purchase of stock in trade	-	(1,419,229)
(iv) Stores & Spare parts etc.	4,151,339	(3,745,641)

	Amount	Amount
		(Rupees)
NOTE 42. i) Expenditure in Foreign Currency		
- Professional Fee (Net of Taxes)	1,263,411	(6,499,864)
ii) Others	-	(147,342)
NOTE 43. Earnings in Foreign Exchange	631,500	(1,425,112)
FOB value of export		

NOTE 44. Figures of Previous Year have been regrouped re-arranged wherever found necessary.
Figures in brackets above are in respect of previous year.

In terms of our Report attached
for JAGDISH SAPRA & CO.
(Firm Registration No. 001378N)
CHARTERED ACCOUNTANTS

for and on behalf of the Board

(Vipal Kalra)
Partner
M. No. : 084583

PLACE : NEW DELHI
Dated : May 30, 2014

Directors

Managing Director

ATTENDANCE SLIP

I/we hereby record my/our presence at the **42nd Annual General Meeting** of the Company held on 29th day of **September, 2014** at 11.30 A.M. at The Executive **CLUB, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074.**

DP ID/ Client ID/ Folio No.	
No. of Share(s) held	

NAME OF THE SHAREHOLDER _____ (Signature)

NAME OF THE PROXY _____ (Signature)
(IN BLOCK LETTERS)

**E-VOTING PARTICULARS
ELECTRONIC VOTING PARTICULARS**

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

Member's Folio/DP ID-Client ID No. _____ Member's/Proxy's Name in Block Letter _____ Member's/Proxy's Signature _____
(to be filled by the member) (to be filled by the member) (to be filled by the member)

Note: Please fill the Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

DP ID/ Client ID/ Folio No.	
No. of Share(s) held	

I/We R/o having email id , being the member(s) and having shares of the above named company, hereby appoint R/o having email id or failing him/her R/o having email id or failing him/her R/o having email id as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the company, to be held on the 29th day of **September, 2014** at 11.30 A.M. at The Executive CLUB, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional (✓)	
		For	Against
Ordinary Business			
1	Adoption of Audited Balance Sheet as at March 31, 2014 together with the reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Shri Rajendra Kumar Rajgarhia (DIN: 00141766), who retire by rotation and being eligible, offers himself for re-appointment.		
3	Appointment of M/s Jagdish Sapra & Co., Chartered Accountants, who are eligible for re-appointment as Auditors of the Company and to fix their remuneration.		
Special Business			
4	Appointment of Shri Satram Lokumal Keswani (DIN: 00190790) an Independent Director.		
5	Appointment of Shri Harpal Singh Chawla (DIN: 00025492) an Independent Director.		
6	Re-Appointment of Shri Sanjay Rajgarhia (DIN: 00154167) as a Managing Director.		

Signed this _____ day of _____ 2014

Signature of the Shareholder: _____

Signature of Proxy holder(s) : _____

Affix
Revenue
Stamp

Note: This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.