



**Purity Flexpack Limited**

*Think Packaging, Think us*

**Board of Directors**

Mr. Anil Patel - Chairman & Managing Director (CEO)  
Mrs. Kokila Patel - Director  
Mr. Kunal Patel - Whole-time Director (CFO)  
Mrs. Vaishali Amin - Director  
Mr. Avant Amin - Director  
Mr. Nirat Kothari – Director  
Mr. Pratik Shah - Director  
Mr. Aalok Davda – Director  
Mr. Forum Lodaya – Director

**Company Secretary & Compliance Officer**

Ms. Matrikaa Sharma

**Statutory Auditors**

M/s Shah Mehta and Bakshi  
Chartered Accountants  
2nd Floor, Prasanna House  
Associated Society, Opp. Radhakrishna Park,  
Near Akota Stadium, Akota, Vadodara - 390 020

**Cost Auditors**

M/s. Chetan Gandhi and Associates  
Cost Accountants  
First Floor, Radhe Complex,  
52 A Radha Krishna Park Society,  
Near Akota Garden, Akota  
Vadodara - 390 020

**Bankers**

Axis Bank Limited

**Factory & Registered Office**

At: Vanseti, Post: Tajpura, Near Halol,  
Dist: Panchmahal 389 350

**Registrar & Share Transfer Agents**

Universal Capital Securities Pvt. Ltd.  
(erstwhile Mondkar Computers Pvt Ltd.)  
C-101, 247 Park, L.B.S Marg, Vikhroli (West),  
Mumbai – 400 083

**Secretarial Auditor**

Mr. Devesh R Desai  
Practicing Company Secretary  
40-D, Arpita Park, Near ESI Hospital,  
Gotri Road, Vadodara - 390 021

**Internal Auditors**

M/s. M Sahu & Co.  
Chartered Accountants  
521, K10 Grand  
Behind Atlantis K10,  
Sarabhai Campus,  
Genda Circle, Vadodara – 390 007

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**35<sup>th</sup> Annual General Meeting**

Saturday, 2<sup>nd</sup> September, 2023 at 11.00 a.m. (IST)  
Through Video Conferencing / Other Audio Visual Means

### NOTICE

**Notice** is hereby given that the **35<sup>th</sup> Annual General Meeting** of the Shareholders of **Purity Flexpack Limited** is to be held on **Saturday, 2<sup>nd</sup> September, 2023 at 11.00 a.m.** IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:-

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 together with the reports of the Board of Directors and Auditors' thereon; and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023, and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

2. To appoint a director in place of Mrs. Kokila Patel (DIN 00106487), who retires by rotation, and being eligible, offers herself for re-appointment; and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Kokila Patel (DIN 00106487) who retires by rotation and being eligible offers herself for reappointment, be and is hereby re-appointed as a director of the Company."

#### **SPECIAL BUSINESS:**

3. **To re-appoint Mr. Anil Patel (DIN: 00006904) as a Managing Director and Chief Executive Officer ("MD & CEO") and revision in remuneration thereof**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions and on the recommendation of Audit Committee, Nomination & Remuneration Committee, approval of the Company be accorded to re-appoint Mr. Anil Patel (DIN: 00006904) as a Managing Director and Chief Executive officer of the Company for a term of three years commencing from 01<sup>st</sup> April, 2023 till 31<sup>st</sup> March, 2026 and the revision in the terms of remuneration of the appointee by increasing the scale from Rs. 98,40,000 p.a. upto maximum consolidated remuneration of Rs. 1,50,00,000/- p.a. (Rupees One Crore Fifty Lakhs) with effect from 1<sup>st</sup> April, 2023.

**RESOLVED FURTHER THAT** the following terms and conditions to be approved considering the limit specified under Section 197 and Schedule V of the Act:

In addition to Consolidated Salary, Perquisites and Performance Bonus, he shall be entitled to receive the following:

- a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- b) Encashment of leave at the end of tenure.
- c) Provision of car for use on Company's business.
- d) Free landline telephone / electricity etc facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

**4. To re-appoint Mr. Kunal Patel (DIN: 00106545) as a Whole-time Director and Chief Financial Officer ("WTD & CFO") and revision in remuneration thereof**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions and on the recommendation of Audit Committee, Nomination & Remuneration Committee, approval of the Company be accorded to re-appoint Mr. Kunal Patel (DIN: 00106545) as a Whole-time Director and Chief Financial Officer of the Company for a term of three years commencing from 01<sup>st</sup> April, 2023 till 31<sup>st</sup> March, 2026 and the revision in the terms of remuneration of the appointee by increasing the scale from Rs. 99,00,000 p.a upto maximum consolidated remuneration of Rs. 1,50,00,000/- p.a. (Rupees One Crore Fifty Lakhs) with effect from 1<sup>st</sup> April, 2023.

**RESOLVED FURTHER THAT** the following terms and conditions to be approved considering the limit specified under Section 197 and Schedule V of the Act:

In addition to Consolidated Salary, Perquisites and Performance Bonus, he shall be entitled to receive the following:

- a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- b) Encashment of leave at the end of tenure.
- c) Provision of car for use on Company's business.
- d) Free landline telephone / electricity etc facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

**5. To approve the revision in payment of remuneration to Mrs. Vaishali Amin (DIN: 00194291), Executive Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and Schedule V to the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions and on the recommendation of Audit Committee, Nomination & Remuneration Committee, approval of the Company be accorded for revision in payment of remuneration w.e.f. 01.04.2023 from Rs. 24,00,000 p.a. upto maximum consolidated remuneration of Rs. 50,00,000/- p.a. (Rupees Fifty Lakhs) to Mrs. Vaishali Amin (DIN: 00194291), Executive Director of the Company, upto three years, on the such terms and conditions of revision of remuneration as mentioned below:-

In addition to Consolidated Salary, Perquisites and Performance Bonus, she shall be entitled to receive the following:

- a) Encashment of leave at the end of tenure.
- b) Provision of car for use on Company's business.
- c) Free landline telephone / electricity etc facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- d) She shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.”

**6. Ratification by Members for payment of remuneration to the Cost Auditors**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 6(2) of the Companies (Cost Records and Audit) Rules, 2014 or any statutory modification or re-enactment thereof, M/s Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341) appointed as the Cost Auditors by the Board of Directors of the Company for the Financial Year ending 31st March, 2024, be paid a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand Only) as recommended by the Audit Committee and approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution.”

**On behalf of the Board  
For Purity Flexpack Limited**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

**Anil Patel  
Chairman & Managing Director  
DIN : 00006904**

**NOTES:**

1. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.20/2021dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 , Circular No.02/2022 dated May 05, 2022 and Circular No.10/2022 dated December 28, 2022 through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 has provided certain relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") due to the COVID-19 pandemic. In compliance with the Act, MCA and SEBI Circulars/ Listing Regulations, the AGM of the Company is being held through VC/ OAVM.

In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars and SEBI Circulars, the 35<sup>th</sup> Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM on Saturday, 2<sup>nd</sup> September, 2023 at 11:00 a.m. (IST). The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at Vanseti, Near Baska, Halol, Panchmahal GJ – 389 350 IN.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with.
3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the AGM will be provided by NSDL.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [deveshrdesai2002@rediffmail.com](mailto:deveshrdesai2002@rediffmail.com).
7. In case of the Joint holders attending the 35<sup>th</sup> AGM, only such joint holder who is higher in the order of names will be entitled to vote.
8. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Universal Capital Securities Pvt. Ltd. in case the shares are held by them in physical form.

10. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven working days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 27<sup>th</sup> August, 2023 to Saturday, 2<sup>nd</sup> September, 2023 (both days inclusive).
12. Particulars required for Appointment/Re-appointment of Director pursuant to sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard-2 is given at annexure to this notice.
13. Any person, who acquires Shares of the Company and become Member of the Company after dispatch of the Notice and holding Shares as on the cut-off date for remote E-voting i.e. 26<sup>th</sup> August, 2023 may follow the same instructions as mentioned below for E-voting.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Wednesday, 30<sup>th</sup> August, 2023 at 09:00 A.M. and ends on Friday 1<sup>st</sup> September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 26<sup>th</sup> August, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 26<sup>th</sup> August, 2023.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*


**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDEAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDEAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "<b>Login</b>" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> 
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.



Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly

authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [deveshrdesai2002@rediffmail.com](mailto:deveshrdesai2002@rediffmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at [pallavid@nsdl.com](mailto:pallavid@nsdl.com).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliance@purityflexpack.com](mailto:compliance@purityflexpack.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance@purityflexpack.com](mailto:compliance@purityflexpack.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance@purityflexpack.com](mailto:compliance@purityflexpack.com) . The same will be replied by the company suitably.

**On behalf of the Board  
For Purity Flexpack Limited**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

**Anil Patel  
Chairman & Managing Director  
DIN : 00006904**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice dated 26<sup>th</sup> July, 2023.

**Item No. 3**

Mr. Anil Patel had been re-appointed as a Managing Director and Chief Executive Officer of the Company on 11<sup>th</sup> February, 2023 w.e.f 1<sup>st</sup> April, 2023 for a period of 3 years. The term of office of Mr. Anil Patel as MD & CEO of the Company was due on 31<sup>st</sup> March, 2023. He fulfills the required core skills, expertise, competencies identified as well as the criteria laid down by the Board of Directors in the Company's Nomination Policy for the appointment / re-appointment as a Director of the Company as required in the context of the Company's business and sector. In the opinion of the Board, Mr. Anil Patel fulfils the conditions for re-appointment as the Managing Director of the Company taking into consideration his knowledge, background, experience, leadership qualities, etc. In due recognition of the significant contribution made by him, his re-appointment as the MD & CEO of the Company would be in the best interest of the Company. It is therefore, proposed that he will be re-appointed for a further period of three years commencing from 1<sup>st</sup> April, 2023. A brief profile of Mr. Anil Patel is provided annexed hereto the Corporate Governance Report.

In view of the increased responsibilities that the MD & CEO is required to shoulder and based on the recommendation of Nomination & Remuneration Committee, the Board of Directors, at its meeting held on 11<sup>th</sup> February, 2023, proposed an increase in the overall ceiling on remuneration to Mr. Anil Patel w.e.f 1st April, 2023 not exceeding Rs. 1,50,00,000/- p.a.

The revised payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on 11<sup>th</sup> February, 2023 & subsequently by the Board of Directors in its Board Meeting held on the same date. Therefore, the Board proposes to seek approval of the Shareholders of the Company, approving the payment of remuneration of rupees one crore fifty lakhs p.a. from 1<sup>st</sup> April, 2023 as detailed here under:

Consolidated Salary, Perquisites and Performance Bonus, etc: Rs. 1.50 crores/- (Rupees One Crore Fifty Lakhs Only) p.a.

In addition to the above, he shall be entitled to receive the following:-

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Provision of car for use on Company's business.
- (d) Free landline telephone / Electricity etc facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- (e) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company. Accordingly the Board recommends the passing of the special resolution as set out in the item no. 3 of the Notice.

Except for Mr. Anil Patel, Mr. Kunal Patel, Mrs. Kokila Patel and Mrs. Vaishali Amin, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 3.

**Item No. 4**

Mr. Kunal Patel had been re-appointed as a Whole-time Director and Chief Financial Officer of the Company on 11<sup>th</sup> February, 2023 w.e.f 1<sup>st</sup> April, 2023 for a period of 3 years. The term of office of Mr. Kunal Patel as Whole-time Director of the Company was due on 31<sup>st</sup> March, 2023. Based on the skills and expertise in innovative ideas for expansion of business, the Board is of the opinion of reappointment of Mr. Kunal Patel as WTD & CFO. It is therefore, proposed that he will be re-appointed for a further period of three years commencing from 1st April, 2023. A brief profile of Mr. Kunal Patel is provided annexed hereto the Corporate Governance Report.

The Board is of the view that the knowledge and experience of Mr. Kunal Patel continues to be of immense benefit and value to the Company and based on the Company's performance and the individual performance, and pursuant to the recommendations of the Nomination & Remuneration Committee, recommends the revision in the terms of remuneration of Mr. Kunal Patel to the Members w.e.f 1st April, 2023 not exceeding Rs. 1,50,00,000/- p.a.

Consolidated Salary, Perquisites and Performance Bonus, etc: Rs. 1.50 crores/- (Rupees One Crore Fifty Lakhs Only) p.a.

In addition to the above, he shall be entitled to receive the following:-

- (a) Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- (b) Encashment of leave at the end of tenure.
- (c) Provision of car for use on Company's business.
- (d) Free landline telephone / Electricity etc facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.

- (e) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company. Accordingly the Board recommends the passing of the special resolution as set out in the item no. 4 of the Notice.

Except for Mr. Kunal Patel, Mr. Anil Patel, Mrs. Kokila Patel and Mrs. Vaishali Amin, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 4.

**Item No. 5**

Mrs. Vaishali Amin is an Executive Director and involved in day to day affairs of the Company. With reference to the provision of section 197,198 read with schedule V to the companies act 2013 along with the Ministry of Corporate Affairs (MCA) vide its notification dated 18<sup>th</sup> March, 2021 amended schedule V of Companies Act, 2013 which provides for payment of managerial remuneration and other directors by Companies, requires members approval by way of special resolution. Looking into the contribution of Mrs. Vaishali Amin in day-to-day affairs of the business and having wide sphere knowledge and experience in purchase department, the Board recommends to revise the remuneration of her, based on the recommendation of Nomination and Remuneration Committee meeting dated 26<sup>th</sup> July, 2023.

The revision in remuneration is with effect from 1<sup>st</sup> April, 2023 not exceeding Rs. 50,00,000 p.a. upto three years amount not exceeding rupees fifty lakhs p.a. The Board proposes to seek approval of the Shareholders of the Company, accordingly, the Board recommends the passing of the special resolution as set out in the item no. 5 of the Notice.

Except Mrs. Vaishali Amin, Mr. Kunal Patel, Mr. Anil Patel and Mrs. Kokila Patel, none of the other Directors, Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no.5.

**Item No. 6**

The Board of Directors, on the recommendation of Audit Committee granted vide meeting dated 26<sup>th</sup> July, 2023, has approved the appointment and payment of remuneration of Rs. 25,000/- to the Cost Auditor, Chetan Gandhi & Associates, Cost Accountants (Firm Registration No. 101341) to conduct the audit of the cost records of the Company for financial year ending 31<sup>st</sup> March, 2024.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2024 by passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

None of the Director or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

The Board of Directors recommends an Ordinary Resolution set out in item no. 6 of the Notice for approval of the Members.

**DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE MEETING  
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015):**

Name of the Director	Mr. Anil Patel	Mr. Kunal Patel	Kokila Patel
Date of Birth	13/04/1957	13/08/1985	03/04/1955
Qualification	Diploma in Electrical Engineering	MBA in Lean Operations	MA, LLB
Date of Appointment/reappointment	11/02/2023	11/02/2023	30/08/2003
Expertise	Industrialist	Industrialist	Advisory
Details of Directorships in other listed companies	Nil	Nil	Nil
Memberships/Chairmanships of Committees of other Public Companies	Nil	Nil	Nil
No. of Shares Holds in the Company	1,61,748	89,235	1,75,057
Relationship between directors inter-se	Promoter Director	Promoter Director	Promoter Director

**On behalf of the Board  
For Purity Flexpack Limited**

**Anil Patel  
Chairman & Managing Director  
DIN : 00006904**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

## Board's Report

Dear Members,

The Board of Directors are pleased to present the Company's 35<sup>th</sup> Annual Report and the Company's Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2023.

### RESULTS OF OUR OPERATIONS

The Company's financial performance for the year ended 31<sup>st</sup> March, 2023 is summarised below:

(Rs. in lakhs, except per equity share data)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Revenue from operations	11,558.97	10,406.17
Other Income	9.39	21.17
<b>Total Income</b>	<b>11,568.37</b>	<b>10,427.33</b>
<b>Profit Before Interest, Depreciation, Exceptional Items and Tax</b>	<b>707.94</b>	<b>515.16</b>
Less: Interest	220.98	139.81
Less: Depreciation	366.70	313.70
<b>Profit Before Exceptional Items and Tax</b>	<b>120.26</b>	<b>61.65</b>
Less: Exceptional Items	Nil	Nil
<b>Profit Before Tax</b>	<b>120.26</b>	<b>61.65</b>
Less: Current Tax	7.68	-
Less: MAT Credit (entitlement)/utilization	-	-
Less: Earlier Year Income Tax	-	-
Less: Deferred Tax	15.92	26.88
<b>Profit After Tax</b>	<b>96.66</b>	<b>34.77</b>
<b>Total comprehensive income for the year attributable to the owners of the Company</b>	<b>105.56</b>	<b>36.24</b>
<b>Earnings per share (EPS)</b>		
Basic (Rs.)	9.01	3.24
Diluted (Rs.)	9.01	3.24

### PERFORMANCE OF THE COMPANY

The turnover including other income of the Company for the Financial Year 2022-23 amounted to Rs. 11,568.37 Lakhs as against last year's Rs. 10,427.33 Lakhs. The Profit before exceptional items and tax is Rs. 120.26 Lakhs as against Rs. 61.65 Lakhs of last year. Profit for the year is Rs. 96.66 Lakhs as against Rs. 34.77 Lakhs of last year.

### ANNUAL RETURN

As per the provisions of Section 92(3) read with Section 134(3) of the Act, Annual Return for the Financial Year ended on 31<sup>st</sup> March, 2023, in prescribed Form No. MGT 7 is available on the website of the Company on <https://www.purityflexpack.com/reports/annual-return/MGT%207%202023.pdf>

### DIVIDEND

In view of retain the resources and future expansion, your directors have not recommended dividend for the year ended 31<sup>st</sup> March, 2023.

### SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 Equity Shares of Rs. 10/- each.

There was no change in the capital structure of the Company during the Financial Year under review. The paid up Equity Share capital as on 31<sup>st</sup> March, 2023 was Rs. 1,07,34,000/-.

### LISTING OF SHARES

The Company's shares are listed on BSE under Scrip Code 523315. The ISIN code of the Company is INE898O01010.

### NATURE OF BUSINESS

There was no change in the nature of business during the Financial Year under review.

### SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

The Company does not have any Subsidiary, Associate & Joint Venture Company.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The disclosures as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed as **Annexure I** of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## NUMBER OF MEETINGS OF THE BOARD

The Board met five (5) times during the Financial Year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

## COMMITTEES OF THE BOARD

As on 31<sup>st</sup> March, 2023, the Board had three committees viz. the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee. A majority of the committees consists entirely of independent directors. During the year, all recommendations made by the committees were approved by the Board.

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The directors confirm that:

- i. In preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed and there are no material departures.
- ii. They 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 of the Company for that period.
- iii. They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls, which are adequate and are operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.

## REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments, which affect the financial position of the Company, that have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this report.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31<sup>st</sup> March, 2023, the Board had eight members, two of whom are executive directors, two non-executive and non-independent directors and four independent directors. There is one Woman director on the Board. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at [www.purityflexpack.com](http://www.purityflexpack.com). We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.



## **EXPLANATIONS OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There was no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

## **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars, as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as **Annexure II** to the Board's report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provisions of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis is set out as **Annexure III** of this Annual Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure IV**.

## **STATE OF COMPANY'S AFFAIRS**

The Company is engaged in the business of packaging. There is no change in the business of the Company during the Financial Year ended 31<sup>st</sup> March, 2023. Further information on the business overview and outlook and state of the affairs of the Company is discussed in detail in the Management Discussion & Analysis.

## **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the said Rules, your Company has adopted CSR policy with the approval of the Board. It may be accessed on the Company's website at the [www.purityflexpack.com](http://www.purityflexpack.com).

The Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure V**, which forms part of this Report. The Company has not constituted the Corporate Social Responsibility Committee ('CSR Committee) as per Section 135(9) of the Act, where the amount of CSR to be spent does not exceed fifty lakh rupees, the requirement of constitution of Corporate Social Responsibility shall not be applicable and the functions of such committee shall be discharged by the Board of Directors of the Company.

Your Company is committed to CSR and strongly believes that the business objectives of the Company must be in congruence with the legitimate development needs of the society in which it operates. During the year under review the Company incurred a CSR Expenditure of Rs. 10.40 Lakhs which was more than statutory limits required to be spent by the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Kokila Patel, Director of the Company, retires by rotation at the ensuing AGM. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee has recommended here-appointment.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Amendment Rules, 2019.

## **FORMAL ANNUAL EVALUATION**

The Company has a policy for performance evaluation of the Board, Committees and other Individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

In accordance with the manner specified by the Nomination and Remuneration Committee, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairperson, the non-independent directors and the Board as a whole. The Chairman

of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

#### **RISK MANAGEMENT POLICY**

The Company has a well defined process in place to ensure appropriate identification and mitigation of risks. The Risk Management has been entrusted by the Board with the responsibility of identification and mitigation plans for ongoing operations of the Company. Elements of risks to the Company are listed in the notes to the Financial Statements.

#### **DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **CODE OF CONDUCT**

The code of conduct has been put on the Company's website [www.purityflexpack.com](http://www.purityflexpack.com). The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended 31<sup>st</sup> March, 2023. The Annual Report contains declaration to this effect signed by Mr. Anil Patel – Chief Executive Officer (MD) and Mr. Kunal Patel – Chief Financial Officer (WTD) of the Company.

#### **AUDITORS AND AUDITORS' REPORT**

##### **A. Statutory Auditors**

The Company's Statutory Auditors, M/s. Shah Mehta and Bakshi, Chartered Accountants (firms' registration no:203824W), were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 34<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> June, 2022 on a remuneration mutually agreed upon by the Board of Directors based on the recommendation of the Audit Committee and the Statutory Auditors.

The requirement of seeking ratification of members for continuing the appointment of Statutory Auditors at every AGM was withdrawn by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018.

M/s. Shah Mehta and Bakshi, Chartered Accountants have confirmed that they are eligible and are in compliance with the provisions specified under Section 141(3)(g) of the Act and they are not disqualified to act as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

The Report of the Statutory Auditor forming part of the Annual Report does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

##### **B. Secretarial Auditors**

The Board had appointed Mr. Devesh R. Desai, Practicing Company Secretary, to conduct a secretarial audit for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2023 is attached herewith as **Annexure VI**. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

##### **C. Cost Auditors**

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, it is hereby confirmed that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

The Board of Directors at its meeting held on 26<sup>th</sup> July, 2023 has appointed M/s. Chetan Gandhi and Associates, Cost Accountants (FRN. 101341), as the Cost Auditors for conducting the Cost Audit for the Financial Year 2023-24. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification.

The Cost Audit report for the Financial Year ended 31<sup>st</sup> March 2023; after being taken on record by the Board shall be filed with MCA within the stipulated time.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Compliance Officer in advance.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the year under review, your Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In terms of Section 177(9) of the Companies Act, 2013, Rules framed thereunder and Regulation 22 of the SEBI Listing Regulations, the Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company [www.purityflexpack.com](http://www.purityflexpack.com).

**COMPLIANCE CERTIFICATE**

The CEO and CFO have certified to the Board with regard to the Financial Statements and other matters as required under Regulation 17(8) read with Part B of Schedule II to the SEBI Listing Regulations.

**INSURANCE**

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

**ACKNOWLEDGMENTS**

The Directors gratefully acknowledge the support given by the Customers, Dealers, Distributors, Suppliers, Bankers, various departments of the Central and State Governments, Local Authorities and also the Shareholders of the Company. The Directors appreciate and value the contribution made by every member of the Purity Flexpack Limited.

**On behalf of the Board  
For Purity Flexpack Limited**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

**Anil Patel  
Chairman & Managing Director  
DIN : 00006904**

**REPORT ON CORPORATE GOVERNANCE****I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Our Corporate Governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain our stakeholders at all times.

The Company complies with the requirements regarding Corporate Governance as stipulated under Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") where its shares are listed.

**II. BOARD OF DIRECTORS**

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Chairman and Managing Director of the Company. The Management Committee of the Company is headed by the Chairman and Managing Director and has business / functional heads as its members, which look after the management of the day-to-day affairs of the Company.

**Composition, Directorship(s) / Committee Membership(s) / Chairmanship(s) and Shareholding as on 31<sup>st</sup> March, 2023:**

The Board of your Company has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013 ('the Act') and SEBI Listing Regulations. As on date of this Report, the Board consists of nine (9) Directors comprising three executive directors and six non-executive directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

Details of the Directors, their directorships and committee chairmanship/membership held by them in other public companies (including Purity Flexpack Limited) are as under:

Name of Director	Category	Number of shares held in the Company	No. of Directorships in other Listed Companies*	Committee Positions	
				Chairman**	Member**
Mr. Anil Patel (Promoter)	Executive Director, Chairman & Managing Director (CEO)	1,61,748	-	-	1
Mr. Kunal Patel (Promoter)	Executive Director, Whole-time Director (CFO)	89,235	-	-	-
Mrs. Kokila Patel (Promoter)	Non-Executive, Non-Independent Director	1,75,057	-	-	-
Ms. Vaishali Amin (Promoter)	Executive Director	1,11,116	-	-	-
Mr. Avant Amin	Non-Executive, Independent	-	-	2	2
Mr. Nirat Kothari	Non-Executive, Independent	-	-	-	-
Mr. Aalok Davda	Non-Executive, Independent	-	-	-	2
Mr. Pratik Shah	Non-Executive, Independent	-	-	-	-
Mr. Forum Lodaya	Non-Executive, Independent	-	-	-	1

\*Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

\*\*Includes only Audit Committee and Stakeholders' Relationship Committee.

### Board Meetings

During the year, five (5) meetings of Board of Directors were held on 28<sup>th</sup> May, 2022, 10<sup>th</sup> August, 2022, 19<sup>th</sup> September, 2022, 11<sup>th</sup> November, 2022 and 11<sup>th</sup> February, 2023. The details of attendance of the directors at the Board meetings and at the last Annual General Meeting is as under:

Name of Directors	No. of Board Meetings attended	Attendance at AGM held on 25 <sup>th</sup> June, 2022
Mr. Anil Patel	5	Yes
Mrs. Kokila Patel	5	Yes
Mrs. Vaishali Amin	5	Yes
Mr. Kunal Patel	5	Yes
Mr. Avant Amin	5	Yes
Mr. Nirat Kothari	5	Yes
Mr. Aalok Davda	5	Yes
Mr. Forum Lodaya	5	Yes
Mr. Pratik Shah	5	No

### Familiarization Programme

During appointment, all Independent Directors are made aware of their roles and responsibilities which are also specified in their formal letter of appointment with terms and conditions thereon. At the Board and various committee meetings, independent directors are regularly being familiarized on the business model, operations, updates, changes, policies, new policies, process implementation of the company.

Details of Familiarization Programmes for independent Directors are available on the website of the Company and can be accessed at [www.purityflexpack.com](http://www.purityflexpack.com).

### Core Skills / Expertise /Competencies available with the board

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise /competencies have been identified for the effective functioning of the Company and are currently available with the Board:

Name of the Director	Area of Expertise
Mr. Anil Patel	Leadership experience of running large enterprise Understanding of Consumer and Customer Insights in diverse environments and conditions
Mrs. Kokila Patel	General Management
Ms. Vaishali Amin	Banking and purchase management
Mr. Kunal Patel	Strategic Planning Development and Innovation Understanding of Consumer and Customer Insights in diverse environments and conditions
Mr. Nirat Kothari	Advisory on technological absorption
Mr. Avant Amin	Legal & Risk Management
Mr. Aalok Davda	Education sector, Agri warehousing
Mr. Forum Lodaya	Strategic thinking, strategic planning, sustainability, risk & compliance, human capital development and wide management experience
Mr. Pratik Shah	Expertise in financial services sector having complex business and regulatory contexts, strategic planning and understanding of economic trends

### Confirmation as regards to independence of Independent Directors

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence.

Based on the confirmations / disclosures received from the Directors and on evaluation of the relationships disclosed as per the requirement of Regulation 25(9) of the Listing Regulations, the Board confirms that the

Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

### BRIEF PROFILE OF THE DIRECTORS

#### Mr. Anil Patel - Chairman and Managing Director

Mr. Anil Patel did his Diploma in Electrical Engineering from the M. S. University of Baroda, Gujarat. He is currently Chairman & Managing Director and also acting as a Chief Executive Officer of the Company. He has diverse management experience of over 40 years. During his tenure, by sheer hard work, practical wisdom, farsightedness and business acumen, he surmounted all odds – financial, operational and otherwise and put the Company into a comfortable position. He served on the Board of Sevalia Cement Works Limited for two years.

#### Mr. Kunal Patel - Whole-time Director

Mr. Kunal Patel has done his MBA in Lean Operations from Cardiff University, UK. He was inducted on the Board of our Company in 2006. He is currently acting as the Whole-time Director and Chief Financial officer. He looks after the day to day operations and oversees the marketing efforts for the Company.

#### Mrs. Kokila Patel – Non Executive non Independent Director

Mrs. Kokila Patel is a non executive non independent director of the Company. She was inducted on the Board of our Company in 2003. She has done LLB and MA. She is expert in advisory to the management as and when required.

### III. COMMITTEES OF THE BOARD

The Committees of the Board play an important role in the Governance and focus on specific areas and make decisions within the delegated authority. Each Committee, guided by its Terms of Reference, which provides for the Composition, Scope, Powers, Duties and Responsibilities, is explained hereunder. The Recommendation and / or Observations and Decisions are placed before the Board for information or approval. The meetings of each of these Committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their meetings. The Minutes of the Committee meetings are sent to all Directors individually for their approval / comments as per prescribed Secretarial Standards and after the minutes are duly approved, these are circulated to the Board of Directors and tabled at Board Meetings.

The Board has constituted the following mandatory Committees such as

1. Audit Committee
2. Stakeholders' Relationship Committee and
3. Nomination and Remuneration Committee

#### 1. Audit Committee

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Members of the Audit Committee possess financial/accounting expertise/exposure. Managing Director/Whole-time Director/Chief Executive Officer, Chief Financial Officer, Internal Auditors and Statutory Auditors are the permanent invitee to the Audit Committee. The Audit Committee invites executives, as it considers appropriate, representatives of Statutory Auditors and Internal Auditors to present at its meetings. The Company Secretary acts as the secretary to the Audit Committee. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 25<sup>th</sup> June, 2022.

#### Composition, Meetings & Attendance

During the year under review, the Committee met 4 (Four) times on 28<sup>th</sup> May, 2022, 10<sup>th</sup> August, 2022, 11<sup>th</sup> November, 2022 and 11<sup>th</sup> February, 2023.

Names of the Committee Members along with their attendance are given below:

Name of the Member	Designation	No. of Meetings Attended
Mr. Anil Patel	Member	4
Mr. Aalok Davda	Member	4
Mr. Avant Amin	Chairman	4

**Terms of reference:**

**Powers of Audit Committee:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit committee, inter alia, includes the following:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of auditors of the company;
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the Financial Statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

#### **Review of Information by Audit Committee:**

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
5. statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

It may be clarified that the power, role and review of the Audit Committee includes matters specified under Regulation 27 of SEBI Listing Regulations.

## **2. Nomination & Remuneration Committee**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013. The committee comprises of non- executive directors and majority of them are independent. The Chairman of the Committee is an Independent Director.

#### **Composition, Meetings & Attendance**

During the year under review, the Committee met 1 (One) time on 28<sup>th</sup> May, 2022.

**Names of the Committee Members along with their attendance are given below:**

<b>Name of the Member</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Mr. Avant Amin	Chairman	1
Mr. Aalok Davda	Member	1
Mr. Forum Lodaya	Member	1

#### **Terms of Reference:**

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the



capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
3. To formulate the criteria for evaluation of performance of independent directors and the board of directors;
  4. To devise policy on diversity of board of directors;
  5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
  6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  7. To recommend to the board, all remuneration, in whatever form, payable to senior management.
  8. To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.

#### **Performance Evaluation Criteria for Independent Directors**

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

#### **Remuneration Policy**

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective 1st April, each year. The Company will pay remuneration to Managing Director, Whole-time Directors, Key Managerial Personnels and Senior Executives by way of salary, retirement benefits perquisites, allowances (fixed component), incentives and commission (variable component) based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable. The Committee shall make such recommendation to the Board of Directors as it may consider appropriate with regard to the remuneration of the Executive Directors.

### **3. Stakeholders Relationship Committee**

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

The Chairman of Committee i.e. Mr. Avant Amin is a Non-Executive Director.

#### **Composition, Meetings & Attendance**

During the year under review, the Committee met 1 (One) time on 28<sup>th</sup> may, 2022.

**Name of the Committee Members along with their attendance is given below**

<b>Name of the Member</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Mr. Aalok Davda	Member	1
Mr. Avant Amin	Chairman	1
Mr. Forum Lodaya	Member	1

Ms. Matrikaa Sharma, Company Secretary of the Company had been designated as Compliance Officer of the Company (E-mail ID: compliance@purityflexpack.com) for complying with the requirements of SEBI Regulations.

**Terms of Reference**

The Committee looks into the redressal of complaints of investors such as transfer of shares, non-receipt of declared dividend/notices/annual reports, etc.

**Details of Investor Complaints**

The "SCORES" website of SEBI for redressing of Grievances of the investors was being visited at regular intervals by the Company Secretary and there were no pending complaints registered with SCORES for the Financial Year ended on 31<sup>st</sup> March, 2023.

**IV. Separate Independent Directors' Meetings**

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives.

The Independent Directors met one time during the Financial Year ended 31<sup>st</sup> March, 2023, on 11<sup>th</sup> February, 2023. The Independent Directors inter alia discuss the issues arising out of Committee Meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

**V. GENERAL BODY MEETINGS****(i) Annual general Meeting**

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:-

Financial year ended	Date and Time	Venue	Special Resolutions passed
31 <sup>st</sup> March, 2020	12 <sup>th</sup> September, 2020 11:00 a.m.	Through "VC"/"OAVM"	1) Re-appointment and revision in remuneration of Mr. Anil Patel (DIN: 00006904) as a Chairman cum Managing Director of the Company 2) Re-appointment and revision in remuneration of Mr. Kunal Patel (DIN: 00106545) as a Whole-time Director of the Company
31 <sup>st</sup> March, 2021	25 <sup>th</sup> September, 2021 11:00 a.m.	Through "VC"/"OAVM"	1) Authorisation under Section 180 of the Companies, Act, 2013 2) To approve the revision in payment of remuneration to Mr. Anil Patel (DIN: 00006904), Chairman and Managing Director of the Company for the remaining period of his present tenure. 3) To approve the revision in payment of remuneration to Mr. Kunal Patel (DIN: 00106545), Whole-time Director of the Company for the remaining period of his present tenure. 4) To approve the revision in payment of remuneration to Mrs. Vaishali Amin (DIN: 00194291), Executive Director of the Company.
31 <sup>st</sup> March, 2022	25 <sup>th</sup> June, 2022 at 11:00 a.m.	Through "VC"/"OAVM"	1) Appointment of Mr. Pratik Shah (DIN 03337910) as an Independent Director of the Company. 2) Appointment of Mr. Aalok Davda (DIN 03178800) as an Independent Director of the Company. 3) Appointment of Mr. Forum Lodaya (DIN 08517985) as an Independent Director of the Company. 4) Authorisation under Section 180 of the Companies, Act, 2013

**(ii) Postal Ballot**

During the year under review, no resolution has been passed through postal ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

**VI. MEANS OF COMMUNICATION**

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual results and announces forthwith results to the Stock Exchange, where the shares are listed. The results are published normally in Financial Express in Gujarati & English language. The results are also displayed on the Company's website at "www.purityflexpack.com".

**VII. GENERAL SHAREHOLDER INFORMATION****Annual General Meeting**

Saturday, 2<sup>nd</sup> September, 2023 at 11.00 a.m. (IST) through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.

**Financial Year**

1<sup>st</sup> April to 31<sup>st</sup> March

**Publication of Unaudited/Audited Results:**

Quarter/Year Ending	Reporting date	Type of Result
June 30 <sup>th</sup> 2022	Within 45 days from the end of quarter	Unaudited
September 30 <sup>th</sup> 2022	Within 45 days from the end of quarter	Unaudited
December 31 <sup>st</sup> 2022	Within 45 days from the end of quarter	Unaudited
March 31 <sup>st</sup> 2023	Within 60 days from the end of the quarter	Audited

**Date of Book Closure / Record Date**

As mentioned in the Notice of this AGM

**Listing on Stock Exchange**

Equity Shares

BSE Limited (BSE),

P. J. Towers, Dalal Street, Mumbai - 400 001

**Stock Code**

Scrip Code – 523315

**Payment of Listing Fees**

Annual listing fee for the Financial Year 2023-24 has been paid by the Company to BSE.

**Registrar & Share Transfer Agent**

Universal Capital Securities Pvt. Ltd. (erstwhile Mondkar Computers Pvt. Ltd.)

C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400 083

Tel No.: (022) 4918 6178-79, Fax No.: (022) 4918 6060

website: [www.unisec.in](http://www.unisec.in) E mail id: [info@unisec.in](mailto:info@unisec.in)

**Communication to Members**

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated 25th January, 2022 has mandated the companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; Consolidation of securities certificates / folios; Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's RTA - Universal Capital Securities Private Limited at [www.unisec.in](http://www.unisec.in) Members holding shares in physical form are requested to dematerialize their holding at the earliest to get inherent benefits of dematerialization and also considering that physical transfer of equity shares / issuance of equity shares in physical form have been disallowed by SEBI.

### Restriction on transfer of shares held in physical form

The attention of members is drawn to SEBI Circular no. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 whereby companies have been directed not to effect transfer of securities w.e.f. 01st April, 2019 unless the same are held in dematerialized form with a Depository (except in case of transmission or transposition of securities).

While members are not barred from holding shares in physical form, we request the shareholders holding shares in physical form to dematerialize their holding at the earliest in case they want to effect any transfer of shares.

### Share Transfer System

To expedite share transfer, authority has been delegated to the Stakeholders Relationship Committee of the Board. The said Committee considers requests for transmission, issue of duplicate certificates, issue of certificates on split / consolidation / renewal, etc. and the same are processed and delivered within fifteen (15) days of lodgment, if the documents are complete in all respects. In compliance with the SEBI Listing Regulations, every year, the share transfer system is audited by a Company Secretary in practice and a certificate to that effect is issued by him. The Company Secretary of the Company has also been authorised to approve requests for transmission, effecting change of name, etc. to expedite requests from members.

As per provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA: - Universal Capital Securities Private Limited at [www.unisec.in](http://www.unisec.in) Email:- [info@unisec.in](mailto:info@unisec.in).

Members holding shares in dematerialized form should contact their respective Depository Participation in this regard.

### Dematerialization of shares

The equity shares of the Company are listed on BSE. The Company has an agreement with the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for providing depository services for holding the shares in dematerialized mode. The ISIN of the Company for its shares is INE898O01010. As on 31<sup>st</sup> March, 2023, total 2,72,661 shares representing 25.40 % of the Company's shares are held in demat form in the depositories.

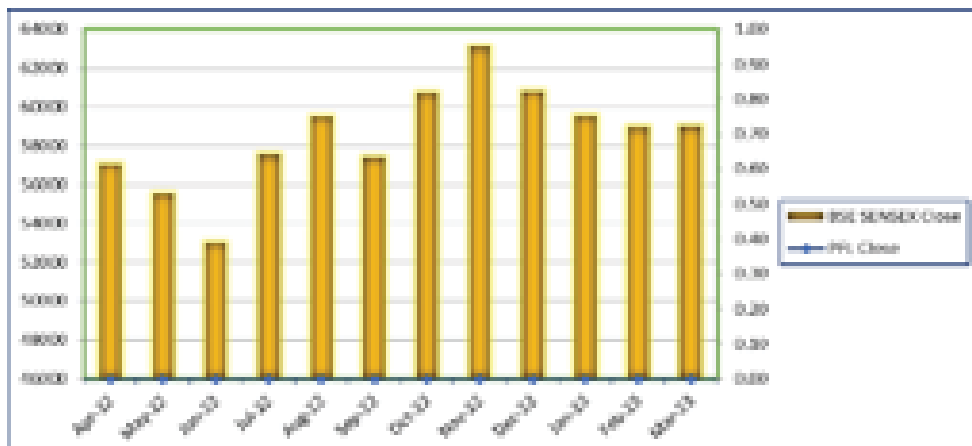
There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company.

### Share Price Data

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31<sup>st</sup> March, 2023 are as under:

Month	Purity Flexpack Limited			BSE SENSEX		
	High	Low	Close	High	Low	Close
Apr-22	-	-	-	60845.10	56009.07	57060.87
May-22	-	-	-	57184.21	52632.48	55566.41
Jun-22	-	-	-	56432.65	50921.22	53018.94
Jul-22	-	-	-	57619.27	52094.25	57570.25
Aug-22	-	-	-	60411.20	57367.47	59537.07
Sep-22	-	-	-	60676.12	56147.23	57426.92
Oct-22	-	-	-	60786.70	56683.40	60746.59
Nov-22	-	-	-	63303.01	60425.47	63099.65
Dec-22	-	-	-	63583.07	59754.10	60840.74
Jan-23	-	-	-	61343.96	58699.20	59549.90
Feb-23	-	-	-	61682.25	58795.97	58962.12
Mar-23	-	-	-	60498.48	57084.91	58991.52

### Performance of Company's Equity Shares in comparison to BSE Sensex on the basis of closing price



### Shareholding Pattern as on 31<sup>st</sup> March 2023

Category	No. of Shares Held	% to paid-up Capital
Non-Resident Individuals	Nil	0.00
Bodies Corporate	8404	0.79
Mutual Funds/Nationalized Banks	540	0.05
Resident Individuals	523237	48.75
Directors and Relatives	540921	50.39
Trust, LLP, HUF	298	0.02
<b>Total</b>	<b>10,73,400</b>	<b>100.00</b>

### Distribution of Shareholding as on 31<sup>st</sup> March 2023

Share Distribution	Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Upto 500	19305	99.70	485867	45.26
501-1000	41	0.21	28680	2.67
1001-2000	6	0.03	8340	0.78
2001-3000	2	0.01	5152	0.48
3001-4000	1	0.00	3765	0.35
4001-5000	1	0.00	4440	0.41
5001-10000	1	0.01	7366	0.69
10001 & above	7	0.04	529790	49.36
<b>Total</b>	<b>19364</b>	<b>100.00</b>	<b>1073400</b>	<b>100.00</b>

### Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

### Address for correspondence

Purity Flexpack Limited  
At: Vanseti,  
Post: Tajpura, Baska Tajpura Rd,  
Baska Halol Dist: Panchmahal 389 350  
Phone: 9879508744 (Ext. 221), 9904269108  
E mail: [compliance@purityflexpack.com](mailto:compliance@purityflexpack.com)

## VIII. OTHER DISCLOSURES

### **Details of Demat / Unclaimed Suspense Account**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

### **Related Party Transactions**

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during Financial Year 2022-23 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

The Company has adopted a policy for related Party transactions which has been uploaded on the Company's website at [www.purityflexpack.com](http://www.purityflexpack.com).

The Company has complied with the requisite regulations relating to capital markets. No Penalties/ strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the year.

### **Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years**

The Securities and Exchange Board of India (SEBI) had levied fines as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 on 17<sup>th</sup> November, 2020 for Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director under Regulation 17(1) of Listing Regulations for September, 2020. After many representations received from Company, BSE was satisfied with the answers and had withdrawn the fine on 23<sup>rd</sup> June, 2021.

Further, as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 the Company had received email dated 29<sup>th</sup> July, 2021 for Non-compliance with submission of secretarial compliance report under Regulation 24A of Listing Regulations for the Year ended 31<sup>st</sup> March, 2021. The Board has replied to the exchange stating the reasons for that as it was not non-compliance of the Company and it was the first time applicability of the Regulation for which SEBI gives time to implement the same for six months. The reply for waiver of fine was received by the Company on 19<sup>th</sup> July, 2022.

Besides, the Company is in the process of seeking in principle approval from the Stock Exchange for listing of Equity Shares against issue of Bonus Shares made in 2006.

### **Whistle Blower Policy and Vigil Mechanism**

The Company has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company at [www.purityflexpack.com](http://www.purityflexpack.com).

### **Adoption of mandatory and discretionary requirements**

The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations. The Company has adopted the following discretionary requirements of the Listing Regulations:

#### **- Audit Qualification**

The Company is in the regime of unmodified opinions on financial statements.

### **No Disqualification Certificate from Company Secretary in Practice**

Certificate from Devesh R. Desai, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority is attached to this Report.

### **Fees paid to Auditors**

The total fees paid to M/s. Shah Mehta and Bakshi, Chartered Accountants, Statutory Auditors of the Company during the Financial Year 2022-23 is Rs. 1.50/- Lakhs.

### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has constituted Internal Committees (IC). While maintaining the highest governance norms, the Company has appointed external independent persons who work in this area and have the requisite experience in handling such matters, as Chairpersons of each of the Committees. There were no Complaints filed during the Financial Year 2022-23.

**Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of Listing Regulations**

Sl. No.	Particulars Regulation	Regulation	Compliance Status Yes / No / N.A.	Key Compliance observed
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>• Composition and Appointment of Directors</li> <li>• Meetings and quorum</li> <li>• Review of compliance reports</li> <li>• Code of Conduct</li> <li>• Minimum information to be placed before the Board</li> <li>• Compliance Certificate by Chief Executive Officer and Chief Financial Officer</li> <li>• Performance evaluation of Independent Directors</li> <li>• Recommendation of Board for each item of special business</li> </ul>
2.	Maximum Number of Directorships	17A	Yes	<ul style="list-style-type: none"> <li>• Directorships in listed entities</li> </ul>
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Meetings and quorum</li> <li>• Chairperson present at Annual General Meeting</li> <li>• Role of the Committee</li> </ul>
4.	Nomination and Remuneration Committee	19	Yes	
5.	Stakeholders Relationship Committee	20	Yes	
6.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Maximum directorships and tenure</li> <li>• Meetings of Independent Directors</li> <li>• Cessation and appointment of Independent Directors</li> <li>• Familiarisation of Independent Directors</li> <li>• Declaration from Independent Director that he / she meets the criteria of independence</li> <li>• Directors and Officers insurance for all the Independent Directors</li> </ul>
7.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• Filing of quarterly, half-yearly and yearly compliance report on Corporate Governance</li> </ul>
8.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>• Terms and conditions of appointment of Independent Directors</li> <li>• Composition of various Committees of the Board of Directors</li> <li>• Code of Conduct of Board of Directors and Senior Management Personnel</li> <li>• Details of establishment of Vigil Mechanism / Whistle- blower policy</li> <li>• Policy on dealing with related party transactions</li> <li>• Policy for determining material subsidiaries</li> <li>• Details of familiarization programmes imparted to Independent Directors</li> </ul>
9.	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> <li>• Secretarial Audit of the Company</li> <li>• Annual Secretarial Compliance Report</li> </ul>

**Annual Secretarial Compliance Report**

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has to obtain an Annual Secretarial Compliance Report from Practising Company Secretary, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder. The same has been received from Mr. Devesh R Desai, the Practising Company Secretary.

**CEO and CFO Certification**

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report. The CEO and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

**Compliance Certificate of the Auditors**

Certificate from Mr. Devesh R. Desai, Practising Company Secretary, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

**Declaration on Compliance with Code of Conduct**

Declaration from Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct has been attached to this Report.

**For and on behalf of the Board**  
**For Purity Flexpack Limited**

**Place:** Vanseti

**Date:** 26<sup>th</sup> July, 2023

**Anil Patel**  
**Chairman & Managing Director**  
**DIN : 00006904**



**Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI Listing Regulations, 2015 on the Audited Financial Statement for the year ended on 31<sup>st</sup> March, 2023.**

**We, Anil B. Patel– Chief Executive Officer & Kunal A. Patel– Chief Financial Officer, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that:-**

- a. We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Statutory Auditors, Internal Auditors and Audit Committee:
  - i. that significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**For Purity Flexpack Limited**

**Anil B. Patel**  
**Chief Executive Officer**

**Kunal A. Patel**  
**Chief Financial Officer**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

#### **DECLARATION ON CODE OF CONDUCT**

**To the Shareholders of Purity Flexpack Limited**

#### **Compliance with the Code of Conduct**

In accordance with Regulation 34(3) of SEBI Listing Regulations, 2015, we hereby confirm that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the Financial Year ended 31<sup>st</sup> March, 2023.

**For Purity Flexpack Limited**

**Anil B. Patel**  
**Chief Executive Officer**

**Kunal A. Patel**  
**Chief Financial Officer**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

## Annexure II

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**  
**[Pursuant to provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]**

**A. Conservation of Energy:**

- (i) The steps taken or impact on conservation of energy;  
The Company continues to meet the growing energy demand, while working towards minimizing the environmental footprint of its ongoing operations, as well as future projects. The Company is continually exploring new ways to make its operations more efficient by putting technology to use for direct energy savings and increasing renewable energy sources.
- (ii) The steps taken by the company for utilizing alternate sources of energy;  
The Company had already Installed solar energy system  
Also converted electrical heating into natural gas heating system
- (iii) The capital investment on energy conservation equipments; Nil
- (iv) Details regarding Power & Fuel Consumption in respect of total Energy Consumption are as below:

(a) Purchased:	<b>2022-23</b>
Units (KWH)	3085750
Total Amount (Rs.)	26219059
Rate per Unit (Rs.)	8.49
(b) Own Generation:	
Units (KWH)	109202
Total Amount (Rs.)	
Rate per Unit (Rs.)	
(c)Furnace Oil/LSHS/LDO/HSQ	150692
Qty. (K.Ltr)	
Total Amount (Rs.)	23526652
Average Rate (Rs.)	156.12

**B. Technology Absorption: Nil**

- (i) the efforts made towards technology absorption;
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

**C. Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- (i) Foreign exchange earnings from the exports of the Company's products & services amounted to Rs. 651.92/- lakhs.

- (ii) The outflow of foreign exchange on account of import of raw materials, stores, spares, capital goods, expenses on travelling, commission on exports and technical Service charges amounted to Rs. 1743.59 /- lakhs.

**On behalf of the Board**  
**For Purity Flexpack Limited**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

**Anil Patel**  
**Chairman & Managing Director**  
**DIN : 00006904**

## Management and Discussion Analysis Report

### Overview

Purity Flexpack Limited is engaged in the field of Flexible Packaging. Our vision is to be preferred supplier for flexible packaging to Customers across India and Overseas maximizing value for all stakeholders

This Management Discussion & Analysis Report presents the key performance highlights of the year 2022-23 pertaining to the Company's business. This review should be read in conjunction with the Integrated Report presented in the earlier sections of this Annual Report, the Company's financial statements, the schedules and notes thereto and the other information included elsewhere in this Annual Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), complying with the requirements of the Companies Act 2013 and the guidelines issued by Securities and Exchange Board of India (SEBI).

Our ultimate objective is to meet Customer's dynamic packaging needs and to achieve excellence in all concerned areas to produce cost effective flexible packaging with highest quality & standards for our esteemed Customers.

### Industry structure and developments

As one of the fastest growing segments of the packaging industry, flexible packaging combines the best qualities of Plastic, Film, Paper and Aluminum Foil to deliver a broad range of protective properties while employing a minimum of material. Flexible packaging provides convenience to the consumer while ensuring product safety. There are ongoing challenges, such as the lack of regulatory clarity across sectors and the growing need to meet stricter packaging norms that have been established with the entry of global retail companies. Additionally changing consumer values concerning sustainable packaging will demand innovation and a shift to more sustainable materials, which would necessitate investments in R&D and infrastructure.

The life cycle attributes of flexible packaging demonstrate many sustainable advantages. It starts with less waste in the first place, greatly reducing landfill discards. Innovation and technology have enabled flexible packaging manufacturers to use fewer natural resources in the creation of their packaging, and improvements in production processes have reduced water and energy consumption, greenhouse gas emissions and volatile organic compounds. Even more, lighter-weight flexible packaging results in less transportation related energy and fossil fuel consumption, and environmental pollution. With its versatility, custom qualities, efficiency in conserving resources, and sustainability, flexible packaging is considered most advantageous. As per the Flexible Packaging Market Overview Global, various major players serving consumables and packaging materials to the Inks, Coatings, Adhesives and Machinery sectors have announced price hikes due to raw material inflation as well as cost pressures from packaging, freight, and energy.

### Outlook

The companies are expected to ramp up output amid a strengthening demand scenario which is expected to support manufacturing growth in the near term. Performance of the mining sector is expected to pick up with the resumption of mining activities that were impacted by extended monsoons. Thus, we could expect industrial output to gather momentum in the coming months. However, it would continue to be subdued with the waning of base-effect.

Given the uncertainties associated with the scale of economic recovery, the RBI is expected to maintain its focus on growth and continue with the accommodative monetary policy stance, even as it moves towards gradual normalization of support. However, there are certain risks associated with the emergence of the Omicron Variant and renewed surge in COVID-19 infections across countries, globally. To add to this, there are headwinds from elevated global commodity prices, potential volatility in global financial markets with faster normalization of monetary policy in advanced economies and prolonged global supply bottlenecks.

### Risks & Concerns

The purpose of risk management is to identify potential events that may affect achievement of organisational strategy, business objectives and management of associated risks within the Company's risk appetite. The Board periodically assesses all facets of risks in the Company's operating landscape.

The key risks and opportunities arise from our ability to manage prices effectively in the presence of aggressive competition, increased raw material pricing, our capability to meet customer demand for technology and digital solutions, and our ability to benefit from the Group in terms of sales and sourcing. To manage threats and tap into opportunities, we execute involve cross-functional and cross-segment collaboration and active dialogue with the customers to develop ways to increase value and understand our competitive position.

### Internal Control Systems

The Company has a proper and adequate Internal Financial Control System, to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition. The Control System enables the management to focus on growth and achieve excellence in all aspects of operations. The Company has an internal audit system, which carries out

independent periodic reviews. The prime objective of such audit is to evaluate the functioning and quality of internal controls and provide assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational and financial matters and includes a follow-up review of corrective actions agreed for implementation. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

Further, One of the most important aspects in business growth is customer retention. Maintaining brand loyalty and reputation through a strong cyber security position is paramount for customers today. Our strong policies on data privacy and cyber security ensures protection against internal and external threats.

### Financial performance with respect to operational performance

The summarized financial results are given hereunder:

Highlights of results:

(Rs. in lakhs)

Particulars	2022-23	2021-22
Total Income	11568.37	10427.33
Profit Before Financial Cost, Depreciation & Tax	707.94	515.16
Interest and Finance expenses	220.98	139.81
Depreciation and Amortization expenses	366.70	313.70
Profit Before Tax	120.26	61.65
Profit For The Year	96.66	34.77

### Total Income

Sales/ Income from operation increase by 10.95% from Rs. 10427.33 Lakhs in 2022 to Rs. 11568.37 Lakhs in 2023.

### Interest and Finance charges

The financial expenses has increased to Rs. 220.98 Lakhs in 2023 from Rs. 139.81 Lakhs in 2022.

### Depreciation and amortization expenses

The depreciation charged to revenue has increased to Rs. 366.70 Lakhs in 2023 as against Rs.313.70 in 2022.

### Profit Before Tax

Your Company has made a profit of Rs.120.26 Lakhs for the year 2022-23 as against the previous year's Profit Before Tax of Rs. 61.65 Lakhs.

### Profit After Tax

The Company's profit during the year under review is Rs. 96.66 lakhs as against the last year Rs.34.77 lakhs which shows almost three times growth as compared to previous year.

As always, your Company looks forward to do well in the year ahead and is optimistic of its abilities to address the set of opportunities and challenges that the coming year will present.

### Opportunities and Threats

The Company is in the business of manufacturing of customized packaging materials. That flexible packaging is one of the rapidly growing segments of the packaging industry. It requires lower energy of producing product, offers convenience to the consumers as it is light-weight, easy to open, carry and store. Additionally, cost of production can be reduced by producing customizes products. One of the important factors driving the growth of flexible packaging market is the growing inclination of consumers towards convenience products.

As per recent research, there is heavier consumer demand for more biodegradable products means more potential interest from manufacturers who choose to come into compliance with their customer requirements. The government is promoting the use of biodegradable packaging, thus there is always a threat in the market to obstruct the plastic packaging.

### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios. The same has been mentioned under the table given below:

Particulars	2022-23	2021-22
Debt Equity Ratio (times)	0.31	0.44
Net Capital Turnover Ratio (times)	59.97	23.70
Operating Profit Margin	6.14%	4.92%
Net Profit Margin	0.84%	0.33%
Return on net worth	2.98%	0.58%

**Environment, Occupational Health & Safety**

Your Company is committed to conducting its operations with utmost concern towards the environment and ensuring a safe and healthy workplace for all employees. The collective endeavor of the Company's employees at all levels is directed towards sustaining and continuously improving standards of environment management, and occupational health & safety in an endeavor to meet and exceed international benchmarks.

**Developments in Human Resources /Industrial Relations**

The Company continues to lay emphasis on qualitative growth of its human resources by providing congenial and constructive work environment, in consonance with its strong belief that the real strength of its organization lies in its employees. In addition to this, formal training through external & internal faculty is also conducted from time to time in acquiring domain knowledge and imbibing the corporate quality culture. None of the Senior Management Personnel have any material, financial and/or commercial transaction, where they have personal interest that may have potential conflict with the interest of the Company at large.

**Capital Investment**

The Company has already installed Printing Machine in the last year to achieve the targets set of the Company which has resulted into increase in turnover of the Company.

**Cautionary Statement**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

**For and on behalf of the Board  
For Purity Flexpack Limited**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

**Anil Patel  
Chairman & Managing Director  
DIN : 00006904**

**FORM NO. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:  
There were no contracts or arrangements or transactions entered into during the year end 31<sup>st</sup> March, 2023, which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis:

a) Name of the Related Party & Nature of relationship	Anuapam Trading Co.	Stag Print Pvt. Ltd.
b) Nature of contracts/arrangements/transactions	Rent paid	Purchase
c) Duration of the contracts/arrangements/transactions	On going	On going
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Office rent paid	Purchase of material
e) Date of approval by the Board	28/05/2022	28/05/2022
f) Amount paid as advances, if any:	NA	NA

**For and on behalf of the Board**  
**For Purity Flexpack Limited**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

**AnilPatel**  
**Chairman & ManagingDirector**  
**DIN :00006904**

## Annexure V

## The Report on CSR activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013
2. Composition of CSR Committee: The Company has not constituted the Corporate Social Responsibility Committee ('CSR Committee) as per Section 135(9) of the Companies Act, 2013 as when the amount of CSR to be spent does not exceed fifty lakh rupees, the requirement of constitution of Corporate Social Responsibility shall not be applicable and the functions of such committee shall be discharged by the Board of Directors of the Company.
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR policy is available at <http://www.purityflexpack.com/pdf/CSR-Policy-PFL.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable
6. Average net profit of the company as per section 135(5) - Rs. 518.20 lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) - Rs. 10.36 lakhs  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil  
(c) Amount required to be set off for the financial year, if any- Nil  
(d) Total CSR obligation for the financial year (7a+7b-7c) - Rs. 10.36 lakhs  
(e) Amount Spent as CSR is Rs. 10.40 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 10.40 lakhs	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State.	District.						Name CSR Registration number.
1.											
2.											
Total											



(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Banyan City Jaycees Education Trust	Salary and maintenance cost of Spandan School	Yes	Gujarat	Vadodara	3.00 lakhs	Yes	No	-
2.	Shree Narayan Arogyadham Annapuran Trsut	promoting health care including preventive health care	Yes	Gujarat	Panchmahal	7.40 Lacs	Yes	No	-
	<b>Total</b>					10.40 lakhs			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable – Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 10.40 lakhs

(g) Excess amount for set off, if any – Not applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	10,36,415
(ii)	Total amount spent for the Financial Year	10,40,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,585
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,585

## 9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
	<b>Total</b>						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):  
Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s). Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset. Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: Not Applicable

Sd/-  (Chief Executive Officer or Managing Director or Director).	Sd/-  (Chairman CSR Committee).	Sd/-  [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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**For and on behalf of the Board  
For Purity Flexpack Limited**

**Place:** Vanseti  
**Date:** 26<sup>th</sup> July, 2023

**AnilPatel  
Chairman & ManagingDirector  
DIN :00006904**

**FORM NO. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31<sup>ST</sup>, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
 The Members,  
 Purity Flexpack Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Purity Flexpack Limited (CIN No. L25200GJ1988PLC010514)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Purity Flexpack Limited's** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2023, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. **Not Applicable to the Company during the Audit Period**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - **Not Applicable to the Company during the Audit Period;**
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - **Not Applicable to the Company during the Audit Period;**
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - **Not Applicable to the Company during the Audit Period; and**
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - **Not Applicable to the Company during the Audit Period.**
  - I. The Securities and Exchange Board of India (LODR) Regulations, 2015
6. The Micro, Small and Medium Enterprises Development Act, 2006.

7. As informed to us the following other laws specifically applicable to the Company are as under:

1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
2. The Factories Act, 1948
3. The Industrial Employment (Standing Orders) Act, 1946
4. The Minimum Wages Act, 1948
6. The Payment of Wages Act, 1936
7. The Negotiable Instruments Act, 1881
8. The Payment of Gratuity act, 1972
9. The Workmen's Compensation Act, 1922
10. The Contract Labour (Regulation & Abolition) Act, 1970
11. The Industrial Dispute Act, 1947
12. The Payment of Bonus Act, 1965
13. The Employment Exchange Act, 1959
14. The Apprentice Act, 1961
15. The Equal Remuneration Act, 1976
16. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the **Bombay Stock Exchange**.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Devesh R. Desai**  
**Practicing Company Secretary**  
**ACS#11332 CP#7484**  
**UDIN Number A011332E000680495**  
**Peer Review Certificate No. : 2043/2022**

**Place: Vadodara**  
**Date: 26/07/2023**

This report is to be read with my letter of even date which is annexed as **Annexure** and forms an integral part of this report.

**Annexure to Secretarial Audit Report**

**To,  
The Members,  
Purity Flexpack Limited**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and the practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the company and its officers by audio and/or visual means

**Devesh R. Desai**  
**Practicing Company Secretary**  
**ACS#11332 CP#7484**  
**UDIN Number A011332E000680495**  
**Peer Review Certificate No. : 2043/2022**

**Place: Vadodara**  
**Date: 26/07/2023**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
**The Members of**  
**Purity Flexpack Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Purity Flexpack Limited** having **CIN L25200GJ1988PLC010514** and having Registered Office situated at Vanseti, Near Baska, Halol-389350, PMS, Gujarat (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	# Date of appointment
1.	MR. ANILKUMAR BHANUBHAI PATEL	00006904	01/07/2010
2.	MS. KOKILA ANILKUMAR PATEL	00106487	30/08/2003
3.	MR. KUNAL ANILKUMAR PATEL	00106545	20/04/2019
4.	MS. VAISHALI ANKIT AMIN	00194291	12/09/2020
5.	MR. NIRAT GAUTAM KOTHARI	06417387	15/03/2021
6.	MR. AVANT ASHIT AMIN	08077852	08/11/2019
7.	MR AALOK VIJAY DAVDA	03178800	26/03/2022
8.	MR. PRATIK RAJESH SHAH	03337910	26/03/2022
9.	MR. FORUM DINESH LODAYA	08517985	26/03/2022

#the date of appointment is as per the MCA Portal

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Devesh R. Desai**  
**Practicing Company Secretary**  
**ACS#11332 CP#7484**  
**UDIN Number: A011332E000680407**  
**Peer Review Certificate No. : 2043/2022**

**Place: Vadodara**  
**Date: 26/07/2023**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
(UNDER SCHEDULE V AND REGULATION 34(3) OF SEBI) (LISTING  
OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]**

To,  
The Members of  
Purity Flex pack Ltd.

1. I, Devesh R. Desai, Company Secretary in Practice, have examined the compliance of conditions of Corporate Governance of M/s Purity Flexpack Limited having CIN L25200GJ1988PLC010514 and having registered office at and post Vanseti, Near Baska, Halol, Dist. Panchmahal-389350, Gujarat, India (hereinafter referred to as 'the Company'), for the year ended on 31<sup>st</sup> March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the "Listing Regulations").

**MANAGEMENT'S RESPONSIBILITY**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**AUDITORS' RESPONSIBILITY**

3. My responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

**OPINION**

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31st March 2023.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company Reporting of internal auditor directly to the Audit Committee.

**Devesh R. Desai**  
**Practicing Company Secretary**  
**ACS#11332 CP#7484**  
**UDIN Number: A011332E000680462**  
**Peer Review Certificate No. : 2043/2022**

**Place: Vadodara**  
**Date: 26/07/2023**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Purity Flexpack Limited**  
**Report on the Audit of Financial Statements**
**OPINION**

We have audited the Ind AS financial statements of Purity Flexpack Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

**MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as



amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Shah Mehta & Bakshi

### Chartered Accountants

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations to be disclosed except as shown in note no 28.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a) The Management has represented, to the best of its knowledge and belief that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, to the best of its knowledge and belief that, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

- v. There is no dividend declared or paid during the year by the Company and hence provisions of section 123 of the companies Act, 2013 are not applicable.

**For Shah Mehta & Bakshi**  
**Chartered Accountant**  
Firm's Registration No.103824W

**Kalpiti Bhagat**  
**Partner**  
Membership No. 142116

Vadodara, May 29, 2023  
UDIN: 23142116BGSQXD4209

## Shah Mehta & Bakshi

### Chartered Accountants

#### ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2023, we report that:

- i.
  - a) The Company has in general maintained proper records showing full, including quantitative details and situation of Property, Plant & Equipment.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets having substantial value were verified during the year as per the programme and According to the information and explanations given to us, no material discrepancy has been noticed. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of the records of the Company the title deeds of all immovable properties of land and buildings which are freehold are held in the name of the Company as at balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as an asset in the financial statements, the lease agreements are in the name of the Company.
  - d) According to information and explanation given to us and based on the examination conducted by us, the company has neither revalued any of its PPE nor its intangible assets during the year. Accordingly, reporting under this clause is not applicable.
  - e) According to information and explanation given to us and based on the examination conducted by us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii.
  - a) According to the information and explanations given to us, the inventories have been physically form verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the company and the nature of its Inventories. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of account.
  - b) The Company has been sanctioned fund-based Working Capital limit in excess of Rs. 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below:  
The Bank returns were prepared and filed before the completion of all financial statement closure activities including Ind AS related adjustments/reclassifications, as applicable, which led to these differences between the final books of accounts and the bank return which were based on provisional books of accounts. Further difference also arises on account of different valuation methodology adopted for valuing the stock in the books and for the purpose of reporting in the bank return. In the books, stock is recorded at lower of cost or net realisable value but for bank purposes it is taken at lower of cost or net realisable which is determined as per bank norms.

Quarter Ended	Particular of security Provided	Amount as per Books of Account	Amount as per Stock Statement	Amount of Difference
June 30,2022	Inventories	1559.19	1581.7	22.51
	Trade Receivables	1756.58	1755.6	-0.98
September 30, 2022	Inventories	1684.66	1696.54	11.88
	Trade Receivables	1539.71	1551.52	11.81
December 31,2022	Inventories	1653.11	1766.02	112.91
	Trade Receivables	1517.4	1519.3	1.9
March 31,2023	Inventories	1494.93	1463.61	-31.32
	Trade Receivables	1282.2	1281.95	-0.25

- iii. As informed to us, the Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 189 of the Act Accordingly, the provisions of clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us and on the basis of the books and records of the Company examined by to us and in our opinion, the Company has complied with the provisions of Section 185 & 186 of the Act in respect of grant of loans, investments, Guarantees and securities, as applicable.
- v. In our opinion and according to information & explanations given to us, the company has not accepted deposits from public and as per information and explanations given to us the Company has complied Section 73 to 76 of the Act, along with rules framed there under.
- vi. We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by the central Government for maintenance of cost records under sub-section (1) of section 148 of the companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues;
- The company is regular in depositing the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Custom Duty, Goods and Service Tax, Cess and any other statutory dues, as applicable, with the appropriate authorities.
  - There was no material amount payable in respect of undisputed statutory dues, including Provident Fund, Income Tax, Custom Duty, Employee State Insurance, Cess and other statutory dues in arrears as on 31st March 2023 for the period of more than six months from the date they become payable, Except The following are the particulars of dues of Income tax as of March 31, 2023 which have not been deposited on account of dispute:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
<b>Income Tax Act, 1961</b>	Income Tax	Demand of Rs.24.94 Lacs to be reduced by the amount paid Rs.3.74 Lacs.	April, 2013 to March, 2014	The Commissioner of income tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
- a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of Loans or borrowings and interest thereon to financial institutions, bank & Government. The company has not issued any debentures.
  - b) In our opinion and according to the information and explanations given to us, The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) In our opinion and according to the information and explanations given to us, The Company has utilised the funds of term loan for the purpose for which the loan was obtained
  - d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
  - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - f) The Company has no subsidiary, associates and Joint venture Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

## Shah Mehta & Bakshi Chartered Accountants

- x. a) In our opinion and according to the information and explanations given to us, The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) In our opinion and according to the information and explanations given to us, The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) During the year, No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.
- xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b)(c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of books and records of the Company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. a) According to the information and explanations given to us, and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to the information and explanations given to us, and in our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. a) As per the information and explanations given to us and on the basis of the books and records of the Company examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934; the Company has not conducted any Non-banking Financial or Housing Finance activities during the year; The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable to the Company.
- b) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of

**Shah Mehta & Bakshi**  
**Chartered Accountants**

Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. The Company has during the year spent the amount of Corporate Social Responsibility as required under subsection (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The Company is not required to prepare consolidated financial statements and therefore reporting under this clause of the Order is not applicable to the Company.

**For Shah Mehta & Bakshi**  
**Chartered Accountant**  
Firm's Registration No. 103824W

**Kalpiti Bhagat**  
**Partner**  
Membership No. 142116

Vadodara, May 29, 2023  
UDIN: 23142116BGSQXD4209

## Shah Mehta & Bakshi

### Chartered Accountants

#### **ANNEXURE-B: REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Purity Flexpack Limited ("the Company") as of 31<sup>st</sup> March 2023 in conjunction with our audit of the financial statements of the company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Shah Mehta & Bakshi**  
**Chartered Accountant**  
Firm's Registration No. 103824W

**Kalpiti Bhagat**  
**Partner**  
Membership No. 142116

Vadodara, May 29, 2023  
UDIN: 23142116BGSQXD4209

## Statement of Balance Sheet for the Year ended on March 31, 2023

(Rs. In Lakhs)

	Particulars	Note No	As at 31.03.2023	As at 31.03.2022
I	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
a)	Property, Plant & Equipment	3.1	4,114.49	4,284.33
b)	Capital Work in Progress	3.2	5.13	15.14
c)	Intangible assets	3.3	3.06	3.54
d)	Right of Use Assets	3.4	156.72	163.54
e)	Financial Assets			
i)	Investments	4	96.25	95.12
ii)	Other Financial Assets	5	62.28	63.42
f)	Other Non-Current Assets	6	12.95	3.74
	<b>Total Non- Current Assets (A)</b>		<b>4,450.89</b>	<b>4,628.83</b>
	<b>Current Assets</b>			
a)	Inventories	7	1,494.94	1,699.01
b)	Financial Assets			
i)	Trade Receivables	8	1,279.09	1,508.59
ii)	Cash and Cash Equivalents	9.1	14.01	69.83
iii)	Bank Balances Other than ii) above	9.2	194.06	88.65
c)	Current Tax Assets (Net)	27.5	47.29	43.04
d)	Other Current Assets	10	92.24	93.64
	<b>Total Current Assets (B)</b>		<b>3,121.63</b>	<b>3,502.76</b>
	<b>TOTAL ASSETS (A+B)</b>		<b>7,572.52</b>	<b>8,131.59</b>
II	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
a)	Equity Share Capital	11	107.34	107.34
b)	Other Equity	12	3,151.11	3,045.55
	<b>Total Equity (C)</b>		<b>3,258.45</b>	<b>3,152.89</b>
	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
a)	Financial Liabilities			
i)	Borrowings	13.1	831.46	1,203.50
ii)	Lease Liabilities	13.2	176.15	173.37
c)	Deferred Tax Liabilities (Net)	14	344.16	325.23
	<b>Total Non- Current Liabilities (D)</b>		<b>1,351.76</b>	<b>1,702.10</b>
	<b>Current Liabilities</b>			
a)	Financial Liabilities			
i)	Borrowings	15	1,085.98	759.20
ii)	Trade Payables	16		
	Total Outstanding Dues of micro and small enterprises		15.08	12.91
	Total Outstanding Dues of creditors other than micro and small enterprises		1,730.85	2,358.79
iii)	Other Financial Liabilities	17	71.50	109.50
iv)	Lease Liabilities	13.2	-	-
b)	Other current Liabilities	18	58.90	36.18
	<b>Total Current Liabilities (E)</b>		<b>2,962.31</b>	<b>3,276.60</b>
	<b>TOTAL EQUITY AND LIABILITIES (C+D+E)</b>		<b>7,572.53</b>	<b>8,131.58</b>
	The accompanying notes are integral part of the Financial Statements	1-44		

As per our report of even date attached

For Shah Mehta And Bakshi

Chartered Accountants

Firm Registration No. 103824W

For and on behalf of the Board of Directors

Purity Flexpack Ltd

CIN : L25200GJ1988PLC010514

Kalpit Bhagat

Partner

Membership No. 142116

Vaishali Amin

Chairperson

DIN: 00194291

Kunal Patel

Director &amp; CFO

DIN: 00106545

Matrikaa Sharma

Company Secretary

Place: Vadodara

Date: 29 May,2023

Place: Vanseti

Date: 29 May,2023

**Statement of Profit and Loss for the Year ended on March 31, 2023**

(Rs. In Lakhs)

Particulars	Note No.	For the Year ended	
		31.03.2023	31.03.2022
<b>Revenue from Operations</b>	19	11,558.98	10,406.17
<b>Other Income</b>	20	9.39	21.17
<b>Total Income</b>		<b>11,568.37</b>	<b>10,427.33</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	8,730.32	8,053.10
Changes in inventories of finished goods and work-in-progress	22	(97.74)	(48.22)
Employee Benefit expenses	23	926.95	843.92
Finance costs	24	220.98	139.81
Depreciation and Amortization expenses	25	366.70	313.70
Other expenses	26	1,300.89	1,063.37
<b>Total Expenses</b>		<b>11,448.12</b>	<b>10,365.68</b>
<b>Profit Before Tax</b>		120.26	61.65
<b>Less/ (Add): Tax expenses:</b>			
- Current Tax		7.68	-
- Deferred Tax		15.92	26.88
<b>Profit for the Year</b>		<b>96.66</b>	<b>34.77</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurement of Gains/(Losses) on defined benefit Plans		11.89	1.96
Income Tax relating to items that will not be reclassified to Profit & Loss		(2.99)	(0.49)
<b>Total (Net of Tax)</b>		8.90	1.47
<b>Total Comprehensive Income for the Year/Period</b>		<b>105.56</b>	<b>36.24</b>
<b>Earnings Per Equity Share</b>			
a) Basic (Rs.)		9.01	3.24
b) Diluted (Rs.)		9.01	3.24
The accompanying notes are integral part of the Financial Statements	1-44		

As per our report of even date attached

**For Shah Mehta And Bakshi**
**Chartered Accountants**

Firm Registration No. 103824W

**For and on behalf of the Board of Directors**
**Purity Flexpack Ltd**

CIN : L25200GJ1988PLC010514

**Kalpiti Bhagat**

Partner

Membership No. 142116

**Vaishali Amin**

Chairperson

DIN: 00194291

**Kunal Patel**

Director &amp; CFO

DIN: 00106545

**Matrikaa Sharma**

Company Secretary

Place: Vadodara

Date: 29 May,2023

Place: Vanseti

Date: 29 May,2023

## Statement of Cash flow for the Year ended on March 31, 2023

(Rs. In Lakhs)

	Particulars	As at 31.03.2023	As at 31.03.2022
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before tax	120.26	61.65
	<b>Adjustment for:</b>		
	Depreciation and Amortization expense	359.89	306.88
	Depreciation on Right of use assets	6.81	6.81
	(Gain)/ Loss on sale of Investment	(0.16)	-
	Finance costs	220.85	140.53
	Net (Gain) / Loss of Foreign Currency Fluctuation (Unrealised)	0.13	(0.71)
	Income received from Banks/Others	(8.26)	(10.88)
	Net (gain)/loss arising on investments measured at fair value through profit and loss	(0.97)	(10.28)
	Provision For ECL	3.11	-
	<b>Operating Profit before Working Capital Changes</b>	<b>701.66</b>	<b>494.00</b>
	<b>Adjustment for:</b>		
	Change in Trade receivables	226.66	(546.58)
	Change in Other Non current financial assets	1.14	(19.02)
	Change in Other assets	(0.13)	45.64
	Change in Inventories	204.07	(386.29)
	Change in Trade payables	(626.18)	1,184.84
	Change in Other financial liabilities	(23.48)	(366.64)
	Change in Other current liabilities and provisions	26.93	196.41
	<b>Cash generated from Operations</b>	<b>510.68</b>	<b>602.35</b>
	Less : Income tax paid/(Refund) (including TDS) (net)	11.92	50.71
	<b>Net Cash generated from Operating Activities (A)</b>	<b>498.75</b>	<b>551.64</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Investment	(13.40)	-
	Sales proceeds of Investment	13.40	-
	Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(179.57)	(1,477.64)
	Sale proceeds of Property, Plant & Equipment	-	-
	Term deposits with maturity 3 to 12 months	(105.41)	(12.43)
	Interest received from Banks/ Others	8.26	10.88
	<b>Net Cash used in Investing Activities (B)</b>	<b>(276.72)</b>	<b>(1,479.19)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Finance cost	(208.62)	(128.51)
	Proceeds/(Repayment) of Short term Borrowings	326.78	227.94
	Proceeds of Long term Borrowings	115.00	1,385.77
	(Repayment) of Long term Borrowings	(501.56)	(490.91)
	Payments of interest portion of lease liabilities	(9.45)	(9.00)
	<b>Net Cash used in Financing Activities (C)</b>	<b>(277.85)</b>	<b>985.30</b>
	<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>(55.82)</b>	<b>57.76</b>
	Cash & Cash Equivalents at the beginning of the period/year	69.83	12.08
	<b>Cash &amp; Cash Equivalents at the end of the period/year</b>	<b>14.01</b>	<b>69.84</b>
	The accompanying notes are integral part of the Financial Statements	1-44	

## Notes:

- I) All figures in brackets are outflows.  
 II) Cash and Cash Equivalents consists of cash on hand and balances with banks as detailed in Note 9 of Balance Sheet.  
 III) During Current year company has spent 10.40 Lacs (Previous year 11.30 Lacs) towards Corporate Social Responsibility as detailed in Note 40 of Balance Sheet.

As per our report of even date attached

For Shah Mehta And Bakshi

Chartered Accountants

Firm Registration No. 103824W

For and on behalf of the Board of Directors

Purity Flexpack Ltd

CIN : L25200GJ1988PLC010514

Kalpit Bhagat

Partner

Membership No. 142116

Vaishali Amin

Chairperson

DIN: 00194291

Kunal Patel

Director &amp; CFO

DIN: 00106545

Matrikaa Sharma

Company Secretary

Place: Vadodara

Date: 29 May,2023

Place: Vanseti

Date: 29 May,2023

# Statement of Changes in Equity

## (A) Equity Share Capital

(Rs. In Lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the year		107.34	107.34
Change in equity share capital during the year		-	-
Prior Period Error		-	-
Balance at the end of the year		107.34	107.34

## (B) Other Equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus				
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at 1st April 2021	48.45	-	0.26	2,960.60	3,009.31
Profit for the Year	-	-	-	34.77	34.77
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	1.47	1.47
Balance as at 31st March 2022	48.45	-	0.26	2,996.84	3,045.55
Balance as at 1st April 2022	48.45	-	0.26	2,996.84	3,045.55
Profit for the Year	-	-	-	96.64	96.64
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	8.90	8.90
Balance as at 31st March 2023	48.45	-	0.26	3,102.38	3,151.09

As per our report of even date attached

For Shah Mehta And Bakshi

Chartered Accountants

Firm Registration No. 103824W

For and on behalf of the Board of Directors

Purity Flexpack Ltd

CIN : L25200GJ1988PLC010514

Kalpit Bhagat

Partner

Membership No. 142116

Vaishali Amin

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DIN:00194291

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Director &amp; CFO

DIN: 00106545

Matrikaa Sharma

Company Secretary

Place: Vadodara

Date: 29 May,2023

Place: Vanseti

Date: 29 May,2023

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

### 1. Corporate information

Purity Flexpack Limited(“the Company”) is a limited company domiciled and incorporated in India having its registered office at Vasanti, Post Tajpura, Near Halol, Dist Panchmahal-389 350. The principal activity of the Company is manufacturing of Flexible Packaging Materials.

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

#### A. BASIS OF PREPARATION:

##### COMPLIANCE WITH IND AS

This Financial Statements comply in all material respects with Indian Accounting Standard (‘Ind AS’) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the Financial Statement.

#### i. Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a) Certain financial assets and liabilities (including derivative instruments) that are measured at fair value
- b) Defined benefit plans: plan assets measured at fair value

#### ii. Rounding of Amounts:

The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### B. SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the end of the financial statements and reported amounts of income and expense during the year.

The management believes that these estimates are prudent and reasonable and are based on management’s best knowledge of current events and actions. Actual results could differ from these estimates and difference between actual results and estimates are recognised in the period in which results are known or materialised.

#### (i) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

##### Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

##### Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods.

Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

#### Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

#### Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### Defined benefit plans:

The cost and present obligation of Defined Benefit Gratuity Plan and Compensated Absences are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are assumed at each reporting date.

#### Fair Value measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

#### Taxes:

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

#### Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

**C. RECENT PRONOUNCEMENT :**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

**The principal accounting policies are set out below.****2.1. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised in the Statement of Profit and Loss to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably. Goods & Service Tax (GST) is not received by the Company on its own account, rather, it is tax collected on value added to the commodity by the Company on behalf of the Government. Accordingly, these are excluded from revenue.

**Sale of Goods and Services**

Revenue is recognised when the customer obtains control of the goods. The customer obtains control of goods at the different point in time based on the delivery terms. Accordingly, company satisfies its performance obligation at the time of dispatch of goods from the factory/stockyard/storage area/port as the case may be and accordingly revenue is recognised. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The determination of transaction price, its allocation to promised goods and allocation of discount or variable compensation (if any) is done based on the contract with the customers.

**Interest Income**

Interest income from is recognised using the effective interest rate method and shown under interest income in statement of profit and loss. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

**Dividend Income**

Dividend income from investment is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

**2.2. Foreign Exchange Transactions**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies at the year-end are restated at closing



rates. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/ (loss).

Foreign exchange gain/(loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Exchange difference arising in respect of long term foreign currency monetary items that relates to acquisition of a depreciable capital asset are added to or deducted from the cost of the asset and are depreciated over the remaining useful life of an asset.

### 2.3. **Borrowing Costs**

Borrowing costs specifically identified to the acquisition or construction or production of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.4. **Employee Benefits**

Employee benefits include provident fund, gratuity and leave encashment.

#### **Post-employment benefit plans**

##### **Defined contribution Plans(Provident Fund)**

Employee benefit under defined contribution plan comprising of provident fund is recognized based on the amount of obligation of the Company to contribute to the plan. The contribution is paid to Regional Provident Fund Commissioner, which is expensed during the year.

##### **Defined benefit Plans (Gratuity)**

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government bond as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company has instituted a Group - cum - Life Insurance Scheme with the Life Insurance Corporation of India, so far as gratuity is concerned.

### 2.5. **Earnings Per Share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Antidilutive options are not considered in computing dilutive earning per share.

### 2.6. **Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or

payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

## 2.7. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### Current and deferred tax for the year

Current and deferred tax expense are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax expense are also recognised in other comprehensive income or directly in equity respectively.

### Minimum alternate tax (MAT)

MAT paid in a year is charged to the Statement of profit and loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 2.8. Property, plant and equipment

Buildings held for use in the production or supply of goods, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Property, plant and equipment (other than buildings) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

### Capital work-in-progress

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

Depreciation of these PPE commences when the assets are ready for their intended use.

### Depreciation

Depreciation is provided on the cost of PPE less their residual values, using the straight line method over the useful life of PPE as specified in Schedule II to the Companies Act, 2013 except in case of certain items of PPE where useful life has been considered based on technical assessment. Estimated useful lives of the assets are as follows:

Sr.	Particulars	Useful lives ( in years)
1.	Buildings	30-60
2.	Roads and Culverts	3
3.	Plant and Machinery	15
4.	Office equipment	5
5.	Computer and Server	3-6
6.	Furniture and fixtures	10
7.	Vehicles	8-10
8.	Electrification	10
9.	Solar Plant	15
10.	Laboratory Equipment	10

Depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## 2.9. Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization or depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

The useful life is assessed as either finite or indefinite. Intangible with finite lives are amortised on straight line basis over the useful lives of the assets and assessed for impairment. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with infinite lives are amortized on a straight line basis over the estimated useful economic life, company has estimated economic useful life of 10 years for such assets. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in statement of profit and loss.

## 2.10. Impairment of PPE

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and intangible assets of a cash generating unit to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the statement of profit and loss.

**2.11. Inventories**

Inventories are valued at lower of cost or net realizable value. Cost of inventories comprises of purchase cost, conversion cost and other costs incurred in bringing inventories to their present location and condition. The cost has been determined as under:

Raw material& Packing Material	On First in First out (FIFO) basis.
Finished products	At Raw material and Conversion cost
Stock-in-process	At Raw material and Proportionate Conversion cost.
Stores and spares (other than those capitalised as property, plant and equipment) and other trading goods	On cost basis.

**2.12. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefits is remote.

**2.13. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective Interest method

The effective Interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**A. Financial assets**Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets measured at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

#### Impairment of financial Assets:

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### De-recognition of financial assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

### **B. Financial liabilities and equity instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs, if any.

#### Financial Liabilities

Trade and other payables are initially measured at fair value, net of directly attributable costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **2.14. Segment reporting**

Operating segments are identified and reported taking into account the different risk and returns, the organization structure and the internal reporting systems.

**2.15. Current & non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**2.16. Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

## 2.17. Government Grants

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

## 2.18. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## 2.19. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

Note 3.1: Property, Plant &amp; Equipment

Particulars	Freehold Land	Factory Building	Road	Administrative Building	Plant & Machinery	Solar Plant	Electrification	Office Equipment	Fire Fighting Equipment	Furniture & Fixture	Vehicles	Laboratory Equipment	Computer	Total
Gross Carrying Value														
As at 1st April, 2021	4.32	780.49	24.87	133.50	3,284.60	146.86	81.99	32.01	0.22	55.29	187.82	1.72	22.31	4,756.00
Additions during the year	-	176.23	-	-	1,137.04	-	45.49	0.36	-	-	94.13	7.12	2.13	1,462.50
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	4.32	956.72	24.87	133.50	4,421.64	146.86	127.49	32.37	0.22	55.29	281.95	8.84	24.44	6,218.51
As at 1st April, 2022	4.32	956.72	24.87	133.50	4,421.64	146.86	127.49	32.37	0.22	55.29	281.95	8.84	24.44	6,218.51
Additions during the year	-	87.79	-	-	89.77	-	7.39	0.53	-	0.59	-	-	3.51	189.57
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	4.32	1,044.51	24.87	133.50	4,511.41	146.86	134.88	32.90	0.22	55.88	281.95	8.84	27.95	6,408.08
Depreciation														
As at 1st April, 2021	-	165.64	23.63	11.22	1,170.46	67.04	43.18	21.98	0.22	32.40	75.86	1.64	14.49	1,627.77
Provided for the year	-	22.53	-	2.11	229.28	9.34	5.48	2.34	-	3.55	28.52	0.09	3.18	306.41
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	-	188.17	23.63	13.34	1,399.74	76.37	48.66	24.32	0.22	35.95	104.38	1.74	17.67	1,934.18
As at 1st April, 2022	-	188.17	23.63	13.34	1,399.74	76.37	48.66	24.32	0.22	35.95	104.38	1.74	17.67	1,934.18
Provided for the year	-	27.70	-	2.11	268.52	9.34	9.33	2.29	-	3.56	32.32	0.68	3.57	359.42
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	-	215.87	23.63	15.45	1,668.26	85.71	57.99	26.61	0.22	39.51	136.70	2.41	21.24	2,293.59
Net Carrying Value														
As at 31st March 2022	4.32	768.55	1.24	120.17	3,021.90	70.49	78.83	8.05	-	19.34	177.57	7.10	6.77	4,284.33
As at 31st March 2023	4.32	828.64	1.24	118.05	2,843.15	61.15	76.89	6.29	-	16.37	145.25	6.42	6.72	4,114.49



**Note 3.2: Capital Work in Progress**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Gross carrying value, at cost</b>		
Opening Bal	15.14	-
Add Addition During the Year	41.70	276.32
	56.84	276.32
Less Deduction for the Year	51.71	261.19
<b>Net Carrying Amount (A-B)</b>	<b>5.13</b>	<b>15.14</b>

\* refer Note : 36 for the Capital Work in Progress Ageing Discloser

**Note 3.3: Intangible Assets**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Computer Software &amp; Licenses</b>		
Opening Bal	3.54	4.01
Add Purchase During the Year	-	-
	3.54	4.01
Less Amortization for the Year	0.47	0.47
<b>Total</b>	<b>3.06</b>	<b>3.54</b>

**Note 3.4: Right-Of-Use Assets**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Opening Gross Carrying Amount</b>	170.35	-
Addition during the year	-	170.35
Deductions during the year	-	-
<b>Closing Gross Carrying Amount</b>	170.35	170.35
<b>Opening Depreciation/amortisation</b>	6.81	-
Amortisation charged during the year	6.81	6.81
Reversal of depreciation during the year	-	-
<b>Closing Depreciation/amortisation</b>	13.63	6.81
<b>Net Carrying Value</b>	<b>156.72</b>	<b>163.54</b>

\*refer Note : 35 for additional disclosure

**Note 4: Non-Current Financial Investments**

(Rs. In Lakhs)

Particulars	Face Value	As at 31.03.2023	As at 31.03.2022
<u>Unquoted fully paid up Equity Shares (Measured at FVTOCI)</u>			
1 Stag Print Private Limited {1300 Equity Shares of ₹. 100 each fully paid}	100	1.30	1.30
<u>Unquoted Investment in Mutual Fund (Measured at FVTPL)</u>			
1 Birla Sun Life Balanced '95 Fund (Growth)		7.88	8.42
2 HDFC Balanced Fund (Growth Option)		16.09	15.42
3 HDFC Equity Savings Fund		19.90	18.67
4 Aditya Birla MNC Fund		-	5.63
5 HDFC Short Term Debt		5.48	5.25
6 Nippon Liquid Fund		-	8.52
7 Mirae Assets India Equity Fund		4.36	4.67
8 Sundaram Rural India Fund		3.82	3.97
9 ICICI Pru All Seasons Bond Fund		9.27	8.76
10 Axis Dynamic Bond Fund		9.04	8.75
11 ICICI Prudential Pharma Healthcare & Diag. PHD Fund		5.44	5.75
12 Aditya BSL low duration REG GR		5.55	-
13 Nippon india short term GR		8.10	-
<b>Total</b>		<b>96.25</b>	<b>95.12</b>

4.1 Aggregate Cost of Unquoted Investments

68.40

67.93

4.2 Aggregate Market Value of Investment in Mutual Funds

4.3 Aggregate Cost of Unquoted Investments

1.30

1.30

Note: Cost of this unquoted equity instrument has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost of the equity shares represent the best estimate of fair value within that range.

**Note 5: Non-Current Other Financial Assets**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(Unsecured, Considered Good, Measured at Amortised Cost) Security Deposits	62.28	63.42
<b>Total</b>	<b>62.28</b>	<b>63.42</b>

There are no loans given to Related Parties.

**Note 6: Other Non- Current Assets**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Deposit/ Advances with Tax Authorities	3.74	3.74
Other Receivable	9.21	-
<b>Total</b>	<b>12.95</b>	<b>3.74</b>

**Note 7: Inventories \***

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Raw Materials	735.29	1,088.86
Work-in-progress	241.19	276.17
Finished goods	269.05	136.34
Stores	242.61	188.43
Packing Material	6.80	9.23
<b>Total</b>	<b>1,494.94</b>	<b>1,699.01</b>

\*Hypothecated with Banks for Working Capital Facility.

\*Valued at lower of Cost and Net realisable value

**Note 8: Current Financial Trade Receivables \***

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Receivables Considered Good - Secured	-	-
Receivables Considered Good - Unsecured	1,282.21	1,508.59
Receivables which have significant increase in credit risk	-	-
Receivables - Credit impaired	-	-
<b>Total</b>	<b>1,282.21</b>	<b>1,508.59</b>
Less: Allowance for bad & doubtful debts	3.11	-
<b>Total</b>	<b>1,279.09</b>	<b>1,508.59</b>
<b>Outstanding from Related Parties</b>		
Considered Good	8.73	9.05
Considered Doubtful	-	-
	<b>8.73</b>	<b>9.05</b>
<b>Movements in Allowance for Bad &amp; Doubtful debts:</b>		
Opening balance	-	-
(+) Provision made during the year	3.11	-
(-) Amount utilised from the provision	-	-
Closing Balance	3.11	-

\*Hypothecated with Banks for Working Capital Limit

\*Receivables from related party refer Note: 32

\*Trade Receivables Ageing Disclosure refer Note: 37

**Note 9: Cash & Bank Balances**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>9.1 Cash &amp; Cash Equivalents</b>		
- Balance with Banks:	7.38	63.31
- Cash on hand	6.63	6.52
<b>Sub-Total (A)</b>	<b>14.01</b>	<b>69.83</b>
<b>9.2 Other Bank Balances</b>		
- Fixed Deposit Accounts (With original maturity greater than 3 months but less than 12 months)*	194.06	88.65
<b>Sub-Total (B)</b>	<b>194.06</b>	<b>88.65</b>
<b>Total (A+B)</b>	<b>208.07</b>	<b>158.48</b>

\*Pledged with bank as margin for Letter of Credit.

**Note 10: Other Current Assets**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Considered Good</b>		
Advances to Suppliers	49.10	55.76
Balances with Revenue Authorities	4.62	22.31
Prepaid Expense	38.53	15.58
<b>Total</b>	<b>92.24</b>	<b>93.64</b>
<b>Advances to Suppliers (Related Parties)</b>		
Considered Good	-	-
Considered Doubtful	-	-
	-	-

**Note 11: Share Capital**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Authorised Capital</b>		
6,000,000 Equity Shares of Rs. 10/- each	600.00	600.00
<b>Issued, Subscribed &amp; Fully Paid-up Capital</b>		
10,73,400 Equity Shares of Rs. 10/- each fully paid up	107.34	107.34
<b>Total Share Capital</b>	<b>107.34</b>	<b>107.34</b>

There is no increase in Authorised Capital.

**a) Reconciliation of the number of Equity shares**

(No of Shares in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(A) Equity Share Capital</b>		
Balance at the beginning of the year	10.73	10.73
Changes during the year	-	-
Balance at the end of the year	<b>10.73</b>	<b>10.73</b>

**b) Rights, Preferences & Restrictions of each class of shares**

The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**c) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash**

The Company has not issued/allotted any shares as fully paid-up by way of consideration other than cash.

**d) Particulars of shares reserved for options and contracts/commitments for sale of shares/ disinvestment**

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

**e) Particulars of calls unpaid**

There is no calls unpaid, hence disclosure is not applicable.

**f) Subdivision of Shares**

There is no subdivision of shares during this year, hence such disclosure is not applicable.

**g) Shares Forfeited**

There is no forfeiture of shares, hence such disclosure is not applicable.

**h) Details of Equity Shareholders holding more than 5% shares in the company:**

Particulars	31.03.2023		31.03.2022	
	% of Holding	Shares	% of Holding	No of Shares
1 Anil Patel	15.07%	1.62	15.07%	1.62
2 Kokila Patel	16.31%	1.75	16.31%	1.75
3 Vaishali Amin	10.35%	1.11	10.35%	1.11
4 Kunal Patel	8.31%	0.89	7.12%	0.76

**i) Disclosure of Shareholding of Promoters**

Disclosure of Shareholding of Promoters as at March 31, 2023 is as follows:

Shares Held by Promoters		31.03.2023		31.03.2022		% change during the year
Promoter Name		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1	Anil Patel	161,748	15.07%	161,748	15.07%	0.00%
2	Ankit Amin	3,765	0.35%	3,765	0.35%	0.00%
3	Kokila Patel	175,057	16.31%	175,057	16.31%	0.00%
4	Kunal Patel	89,235	8.31%	76,466	7.12%	1.19%
5	Vaishali Amin	111,116	10.35%	111,116	10.35%	0.00%
6	Harshad Bhatt	-	0.00%	12,709	1.18%	-1.18%
<b>Total</b>		<b>540,921</b>	<b>50.39%</b>	<b>540,861</b>	<b>50.39%</b>	<b>0.01%</b>

Disclosure of Shareholding of Promoters as at March 31, 2022 is as follows:

Shares Held by Promoters		31.03.2022		31.03.2021		% change during the year
Promoter Name		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1	Anil Patel	161,748	15.07%	161,748	15.07%	0.00%
2	Ankit Amin	3,765	0.35%	3,765	0.35%	0.00%
3	Kokila Patel	175,057	16.31%	175,057	16.31%	0.00%
4	Kunal Patel	76,466	7.12%	76,466	7.12%	0.00%
5	Vaishali Amin	111,116	10.35%	111,116	10.35%	0.00%
6	Harshad Bhatt	12,709	1.18%	12,709	1.18%	0.00%
<b>Total</b>		<b>540,861</b>	<b>50.39%</b>	<b>540,861</b>	<b>50.39%</b>	<b>0.00%</b>

**Note 12: Other Equity**

(No of Shares in Lakhs)

Particulars	Reserves & Surplus				
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
<b>Balance as at 1st April 2021</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>2,960.60</b>	<b>3,009.31</b>
Profit for the Year	-	-	-	34.77	34.77
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	1.47	1.47
<b>Balance as at 31st March 2022</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>2,996.84</b>	<b>3,045.55</b>
<b>Balance as at 1st April 2022</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>2,996.84</b>	<b>3,045.55</b>
Profit for the Year	-	-	-	96.64	96.64
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	-	8.90	8.90
<b>Balance as at 31st March 2023</b>	<b>48.45</b>	<b>-</b>	<b>0.26</b>	<b>3,102.38</b>	<b>3,151.09</b>

**A) Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**B) Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

**C) Capital Reserve:** The Company recognised profit or loss on sale, issue, purchase or cancellation of the Company's own equity instruments to capital reserve. Capital reserve may be used by the Company only for some specific purpose.

**D) General Reserve:** The General reserve is used from time to time, to transfer profit from retained earning for appropriation purpose.

**Note 13.1: Borrowings**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
<b>Term Loans:</b>		
-From Banks	1,310.99	1,697.55
<b>Total</b>	<b>1,310.99</b>	<b>1,697.55</b>
Less: Current portion	479.54	494.06
<b>Total</b>	<b>831.46</b>	<b>1,203.50</b>

	Name of Institution/ Bank/ Others	As at 31.03.2023	As at 31.03.2022
<b>1</b>	<b>HDFC Bank</b>		
	Term Loan I	1.40	6.70
	Term Loan II	2.14	5.58
	Term Loan III	5.64	10.85
<b>2</b>	<b>Axis Bank</b>		
	Term Loan I - USD (Foreign Currency Loan)	-	42.55
	Term Loan II	26.25	76.29
	Term Loan III	100.85	159.10
	Term Loan VI	130.78	202.11
	Term Loan V	54.76	74.69
	Term Loan VI	105.00	105.00
	Term Loan VII	300.00	400.00
	Term Loan VIII	476.70	614.70
	Term Loan IX	107.50	-
	<b>Total Borrowings</b>	<b>1,310.99</b>	<b>1,697.55</b>
	<b>Non-Current Portion</b>	<b>831.46</b>	<b>1,203.50</b>
	<b>Current Portion</b>	<b>479.54</b>	<b>494.06</b>

All the facilities (funded & Non-funded) are further secured by personal guarantee of the Directors of the Company.

**i) Nature of security for long term secured borrowings including current maturities**

		Current maturities	loan Amount outstanding
		Current Year (Previous Year)	Current Year (Previous Year)
<b>A</b>	<b>HDFC Bank</b>		
Term Loan I	Loans is secured by hypothecation of the car	1.40 (5.30)	1.40 (6.70)
Term Loan II	Loans is secured by hypothecation of the car	2.14 (3.44)	2.14 (5.58)
Term Loan III	Loans is secured by hypothecation of the respective vehicle	5.64 (5.21)	5.64 (10.85)
<b>B</b>	<b>Axis Bank</b>		
Term Loan I	secured by way of Hyp. Of Machinery , Electric Installation , Furniture , office equipment etc	- (42.55)	- (42.55)
Term Loan II	secured by way of Hypothecation of Plant & Machinery.	26.25 (50.04)	26.25 (76.29)
Term Loan III	secured by way of Hypothecation of Plant & Machinery.	62.50 (58.25)	100.85 (159.10)
Term Loan IV	secured by way of Hypothecation of Plant & Machinery.	71.33 (71.33)	130.78 (202.11)
Term Loan V	secured by way of Hypothecation of car.	21.46 (19.93)	54.76 (74.69)
Term Loan VI*	secured by way of Hypothecation of Plant & Machinery.	(5.82) -	105.00 (105.00)
Term Loan VII	secured by way of Hypothecation of Plant & Machinery.	100.00 (100.00)	300.00 (400.00)
Term Loan VIII	secured by way of Hypothecation of Plant & Machinery.	138.00 (138.00)	476.70 (614.70)
Term Loan IX*	secured by way of Hypothecation of Plant & Machinery.	45.00 -	107.50 -

\*Term Loan VI has moratorium period of 24 Months Hence Loan Repayment will start from Feb-24.

\*Term Loan IX Total loan amounting 225 Lakhs partial disbursement is done in C.Y. and balance amount will be disbursed in the next year.

ii) The terms of repayment of the above loans are as follows:

			No of Monthly Instalments		
				balance sheet date	
	Term Loan	Rate of Interest p.a.	Total	Current Year (Previous Year)	Maturity Date
<b>A</b>	<b>HDFC Bank Limited</b>				
	Term Loan I	8.20%	36	3 (15)	5/Jun/23
	Term Loan II	7.90%	36	7 (19)	5/Oct/23
	Term Loan III	8.01%	36	12 (24)	15/Mar/24
<b>B</b>	<b>Axis Bank</b>				
	Term Loan I	6.21%		- (4)	31/Jul/22
	Term Loan II	9.00 % (repo + 2.5 %)	54	6 (18)	30/Sep/23
	Term Loan III	9.00 % (repo + 2.5 %)	60	19 (31)	30/Nov/24
	Term Loan IV	9.00 % (repo + 2.5 %)	36	22 (34)	28/Jan/25
	Term Loan V	7.46%	49	29 (41)	1/Aug/25
	Term Loan VI	9.00 % (repo + 2.5 %)	36	36 (36)	31/Jan/27
	Term Loan VII	9.00 % (repo + 2.5 %)	60	36 (48)	31/Mar/26
	Term Loan VIII	9.00 % (repo + 2.5 %)	61	42 (54)	31-09-2026
	Term Loan IX	9.00 % (repo + 2.5 %)	60	59 -	31/Mar/28

**Note 13.2 : Lease Liabilities**

Particulars	As at	As at
	31.03.2023	31.03.2022
<b>Non-Current:</b>		
Lease Liabilities	176.15	173.37
	<b>176.15</b>	<b>173.37</b>
<b>Current:</b>		
Lease Liabilities	-	-
	-	-

\* refer Note : 35 for additional disclosure

**Note 14: Deferred Tax Liabilities (Net)**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liability		
On account of PPE	341.37	322.56
On account of Gratuity	1.78	-
On account of FVTPL Income	6.68	6.51
	349.83	329.07
Deferred Tax Assets		
On account of Gratuity	-	0.37
On account of Leave Encashment	-	0.99
On account of Lease Liabilities (net)	4.89	2.48
On account of Bad & Doubtful Debt provision	0.78	-
	5.67	3.84
<b>Net Deferred Tax Liability/ (Asset)</b>	<b>344.16</b>	<b>325.23</b>

**Note 15: Current Financial Borrowings**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
- Working Capital Loans		
Axis Bank	561.65	222.49
- Current Maturities of Long term Borrowings	479.54	494.06
<b>Unsecured loan repayable on demand</b>		
- From Directors	44.80	42.66
<b>Total</b>	<b>1,085.98</b>	<b>759.20</b>
Rate of interest on working capital loans-Axis Bank	9.00%	7.00%
Working capital loans are secured by Hypothecation of entire raw materials, stock-in-process, stores & spares, packing materials, finished goods and Book-debts of the Company, both present & future.		
Unsecured Loan From Directors are repayable on demand.		

**Note 16: Current Financial Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
- Total Outstanding Dues of micro and small enterprises	15.08	12.91
- Total Outstanding Dues of creditors other than micro and small enterprises	1,730.85	2,358.79
<b>Total</b>	<b>1,745.93</b>	<b>2,371.71</b>

\* The details of amounts outstanding to Micro, Small and Medium Enterprises as identified by the management, under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:

(Rs. In Lakhs)

Sr. No.	Particulars	As at 31.03.2023	As at 31.03.2022
1	Principal amount due and remaining unpaid	15.08	12.91
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payment under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

\* This information has been determined to the extent parties have been identified based on confirmation received from parties. Based on current information/confirmations available with the company, there are no overdue payable to suppliers who are registered under the relevant Act.

\* refer Note: 38 for Trade Payable Ageing Disclosure

**Note 17: Other Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Creditors for Capital Goods	22.47	50.49
Provision For Expense	3.94	7.09
Salary & Wages Payable	45.10	51.93
<b>Total</b>	<b>71.50</b>	<b>109.50</b>

**Note 18: Other Current Liabilities**

(Rs. In Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Advance Received from Customers	22.21	32.02
Statutory dues	36.69	4.16
<b>Total</b>	<b>58.90</b>	<b>36.18</b>

**Note 19: Revenue From Operations**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>19.1 REVENUE FROM SALE OF PRODUCTS</b>		
Sale of Goods (Domestic)	10,893.53	9,828.97
Sale of Goods (Export)	651.92	516.74
	11,545.44	10,345.71
<b>19.2 OTHER OPERATING INCOME</b>		
Job Work	3.82	51.87
Export Benefit Received	9.72	8.59
	13.54	60.46
<b>Total</b>	<b>11,558.98</b>	<b>10,406.17</b>

**Note 20: Other Income**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>Interest Income</b>		
From Bank	6.01	4.33
From Others	2.25	6.55
<b>Other Non-Operating Income:</b>		
Fair value gain on financial instruments through profit or loss	0.97	10.28
Capital gain on Sale of Investment	0.16	-
<b>Total</b>	<b>9.39</b>	<b>21.17</b>

**Note 21: Cost of Materials Consumed**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>Raw Materials Consumed</b>		
Raw Material Consumed (Imported)	1,717.41	1,367.40
Raw Material Consumed (Indigenous)	6,873.77	6,554.34
	8,591.19	7,921.74
<b>Packing Material Consumed</b>	139.14	131.36
<b>Total Cost of Materials Consumed</b>	<b>8,730.32</b>	<b>8,053.10</b>

**Note 22: Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>Opening Stock</b>		
Finished goods	136.34	100.22
Work-in-progress	276.17	264.06
<b>Sub- Total (A)</b>	<b>412.50</b>	<b>364.28</b>
<b>Less: Closing Stock</b>		
Finished goods	269.05	136.34
Work-in-progress	241.19	276.17
<b>Sub- Total (B)</b>	<b>510.24</b>	<b>412.50</b>
<b>Net (A-B)</b>	<b>(97.74)</b>	<b>(48.22)</b>



**Note 23: Employee Benefit expenses**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Salaries, Wages, Bonus, Benefits and Amenities	629.57	591.33
Director Remuneration	218.40	177.60
Contribution to PF & Other Funds	46.96	44.90
Gratuity	22.83	20.44
Employee Welfare Expenses	9.19	9.64
<b>Total</b>	<b>926.95</b>	<b>843.92</b>

**Note 24: Finance Costs**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Interest		
- On Bank Loans	174.87	132.61
- On Other Loans	33.89	13.71
- On Lease Liabilities	12.22	12.02
Less: Interest Capitalised	-	(18.53)
<b>Total</b>	<b>220.98</b>	<b>139.81</b>

**Note 25: Depreciation and Amortization**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Property Plant & Equipment	359.42	306.41
Other Intangible Assets	0.47	0.47
Right-Of-Use Asset	6.81	6.81
<b>Total</b>	<b>366.70</b>	<b>313.70</b>

**Note 26: Other expenses**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>- Direct Expense</b>		
Freight & Carriage	82.21	73.25
Power, Fuel & Water Charges	497.46	421.51
Consumable Stores & Dies Consumed	117.32	63.48
Repairs & Maintenance	62.73	39.70
Factory Expenses	14.14	10.58
<b>Sub- Total (A)</b>	<b>773.86</b>	<b>608.53</b>
<b>- Other Expense</b>		
Rent, Rates & Taxes	3.75	3.85
Postage & Telephone	4.85	4.39
Printing & Stationery	4.72	3.74
Office Expenses	1.29	1.08
Insurance	30.44	36.88
Repairs and Maint. ( Other )	12.78	9.21
Travelling Expenses	37.44	18.32
Conveyance Exps.	21.37	19.77
Auditors' Remuneration (Refer Note 29)	4.17	0.90
Legal Exps. & Professional Fees	49.07	29.97
Carriage Outward & Export exps	122.91	117.28
Advertisements	1.03	0.82
Commission on Sales	109.30	94.99
Computer Expenses	2.06	1.40
Sales Promotion & Entertainment Exps.	17.73	13.85
Licence Fees / ECGC / Filing Fees	9.11	8.97
General Miscellaneous Expenses	48.34	48.95
Bank Commission & Charges	6.89	4.64
Net Loss on Foreign Currency Transactions	14.32	11.55
Security Expenses	15.09	12.97
CSR Expense	10.36	11.30
<b>Sub- Total (B)</b>	<b>527.03</b>	<b>454.84</b>
<b>Total (A + B)</b>	<b>1,300.89</b>	<b>1,063.37</b>

**Note 27: Current and deferred tax**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

**Note 27.1: Income tax expense recognised in the Statement of Profit and Loss**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>i) Current tax</b>		
Current tax on profit for the year	7.68	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>7.68</b>	<b>-</b>
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	20.75	31.21
Decrease   (Increase) in deferred tax assets	(1.83)	(3.84)
<b>Total deferred tax expense   (benefit)</b>	<b>18.93</b>	<b>27.37</b>
<b>Total tax expense</b>	<b>26.50</b>	<b>27.37</b>

**Note 27.2: Income tax expense recognised in the other comprehensive income(OCI):**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>i) Deferred tax</b>		
Remeasurement gain   (loss) on defined benefit plans	2.99	0.49
<b>Total deferred tax expense   (benefit)</b>	<b>2.99</b>	<b>0.49</b>

**Note 27.3: The Income Tax Expense for the Year can be Reconciled to the Accounting Profit as Follows:**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
1 Profit before tax	120.26	61.65
2 Income tax rate (%) applicable to the Company	25.17%	25.17%
3 Income tax expense calculated	<b>30.27</b>	<b>15.52</b>
Expenses not allowed in Income Tax	2.92	4.91
Effect of recognition of Prior year tax	-	-
Other Adjustments	(6.59)	6.95
4 <b>Total effect of tax adjustments</b>	<b>(3.67)</b>	<b>11.86</b>
5 Income Tax recognised in Statement of Profit and Loss (3+4)	26.59	27.37
6 Effective tax Rate	22.12%	44.40%

**Note 27.4: Current tax liabilities**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Opening balance</b>	-	7.67
Income tax (paid)/Refund (including Advance Tax,TDS,TCS) (Net)	-	(7.67)
Income tax payable for the year	-	-
Income tax provision (Reversal)/Charge of earlier years	-	-
<b>Net current income tax liabilities at the end</b>	<b>-</b>	<b>-</b>

**Note 27.5: Current tax assets**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Opening balance</b>	43.04	-
Income tax paid/(Refund) (including Advance Tax,TDS,TCS) (Net)	11.92	43.04
Income tax payable for the year	(7.68)	-
Income tax provision Reversal/(Charge) of earlier years	-	-
<b>Net current income tax assets at the end</b>	<b>47.29</b>	<b>43.04</b>

**Note 27.6: Deferred tax liabilities/(assets)**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31/03/2021
<b>Deferred Tax Liability</b>			
On account of PPE	341.37	322.56	296.51
On account of Gratuity	1.78	-	1.35
On account of FVTPL Income	6.68	6.51	-
<b>Net Deferred Tax Liability (A)</b>	<b>349.83</b>	<b>329.07</b>	<b>297.86</b>
<b>Deferred Tax Assets</b>			
On account of Gratuity	-	0.37	-
On account of Leave Encashment	-	0.99	-
On account of Lease Liabilities (net)	4.89	2.48	-
On account of Bad & Doubtful Debt provision	0.78	-	-
<b>Net Deferred Tax Assets (B)</b>	<b>5.67</b>	<b>3.84</b>	<b>-</b>
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>344.16</b>	<b>325.23</b>	<b>297.86</b>

**Note 27.7: Movement in deferred tax Liabilities/(assets)**

The movement in deferred tax balances for the year ended March 31, 2023 is as follows:

(Rs. In Lakhs)

Particulars	Balance as at April 1, 2022	Recognized in statement of profit and loss	Recognized in OCI   Equity	Balance as at March 31, 2023
<b>Deferred tax liability (gross)</b>				
Temporary difference in the carrying amount of PPE	322.56	18.80	-	341.36
On account of Gratuity	-	1.78	-	1.78
On account of FVTPL Income	6.51	0.17	-	6.68
<b>Total deferred tax liabilities (A)</b>	<b>329.07</b>	<b>20.75</b>	<b>-</b>	<b>349.82</b>
<b>Deferred Tax Asset (gross)</b>				
On account of Gratuity	0.37	(0.37)	-	-
On account of Leave Encashment	0.99	(0.99)	-	-
On account of Lease Liabilities (net)	2.48	2.41	-	4.89
On account of Bad & Doubtful Debt provision	-	0.78	-	0.78
<b>Total deferred tax assets (B)</b>	<b>3.84</b>	<b>1.83</b>	<b>-</b>	<b>5.67</b>
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>325.23</b>	<b>18.91</b>	<b>-</b>	<b>344.15</b>

The movement in deferred tax balances for the year ended March 31, 2022 is as follows:

(Rs. In Lakhs)

Particulars	Balance as at April 1, 2021	Recognized in Statement of profit and loss	Recognized in OCI   Equity	Balance as at March 31, 2022
<b>Deferred tax liability (gross)</b>				
Temporary difference in the carrying amount of PPE	296.51	26.05	-	322.56
On account of Gratuity	1.35	(1.35)	-	-
On account of FVTPL Income	-	6.51	-	6.51
<b>Total deferred tax liabilities (A)</b>	<b>297.86</b>	<b>31.21</b>	<b>-</b>	<b>329.07</b>
<b>Deferred Tax Asset (gross)</b>				
On account of Gratuity	-	0.37	-	0.37
On account of Leave Encashment	-	0.99	-	0.99
On account of Lease Liabilities (net)	-	2.48	-	2.48
<b>Total deferred tax assets (B)</b>	<b>-</b>	<b>3.84</b>	<b>-</b>	<b>3.84</b>
<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>297.86</b>	<b>27.37</b>	<b>-</b>	<b>325.23</b>

**Note 28: COMMITMENTS AND CONTINGENT LIABILITIES**

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Contingent Liability</b>		
Income Tax liability being disputed	24.94	24.94
(Amount paid as on 31.03.18 of Rs. 3.74 lacs)		

**Note 29: PAYMENT TO AUDITORS**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
For Statutory Audit	1.50	0.90
For Tax Audit	0.75	-
For Other Professional Services	1.92	-
<b>Total</b>	<b>4.17</b>	<b>0.90</b>

**Note 30: DEFINED BENEFIT PLAN****Defined contribution plans**

The Company is contributing toward Provident Fund of employees. Under the scheme the Company is contributing a specified percentage of the salary to the fund and is depositing to the Recognized provident fund.

**Defined benefit plans**

The Company is contributing towards Gratuity Fund of employees. Under the scheme the Company pays premium to the Life Insurance Corporation (LIC) of India based on their actuarial calculation. Further, the company has also actuarial calculation done from an independent actuary and any difference in the premium paid to LIC and the liability calculated is accordingly accounted.

**Defined Benefit Plan: Gratuity (Funded)**

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
<b>I - Expenses recognized in the Statement of Profit and Loss:</b>		
Current Service Cost	13.18	11.08
Interest Cost	8.64	7.36
<b>Expenses recognized during the year</b>	<b>21.82</b>	<b>18.45</b>
<b>II - Expenses recognized in other comprehensive income (OCI)</b>		
Actuarial (gain)/losses on obligation for the period	(3.17)	5.82
Return on Plan Assets, Excluding Interest Income	(8.72)	(7.78)
Change in Asset Ceiling	-	-
<b>Net (Income)/Expenses For the Period Recognised in OCI</b>	<b>(11.89)</b>	<b>(1.96)</b>
<b>III - Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:</b>		
As at the beginning of the Year	114.44	98.13
Current service cost	13.18	11.08
Interest Cost	8.64	7.36
Benefit paid from the fund	(0.67)	(7.96)
Actuarial losses/(gains)	(3.17)	5.82
<b>As at the end of the year</b>	<b>132.42</b>	<b>114.44</b>
<b>IV - Movement in net liability recognized in Balance Sheet</b>		
As at the beginning of the Year - liability/(Asset)	1.48	(5.36)
Expenses recognized during the year in Statement of Profit and Loss	21.82	18.45
Expenses recognized during the year in OCI	(11.89)	(1.96)
Contributions made	(20.61)	(9.65)
<b>As at the end of the year</b>	<b>(9.21)</b>	<b>1.48</b>
<b>V - Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof:</b>		
As at the beginning of the Year	112.96	103.49
Contributions made	20.61	9.65
Benefit paid from the fund	(0.67)	(7.96)
Return on Plan Assets, Excluding Interest Income	8.72	7.78
<b>As at the end of the year</b>	<b>141.62</b>	<b>112.96</b>

<b>VI - Net (Liability) recognized in the balance sheet</b>		
Present Value of Benefit Obligations at the end of the period	<b>(132.42)</b>	<b>(114.44)</b>
Fair Value of Plan Assets at the end of the period	141.62	112.96
<b>Net (Liability)/Asset recognized in the Balance Sheet</b>	<b>9.21</b>	<b>(1.48)</b>
<b>VII- Return on Plan Assets</b>		
Expected return on plan assets	8.72	7.78
Actuarial (loss)/gain	3.17	(5.82)
<b>Actuarial return on plan assets</b>	<b>11.89</b>	<b>1.96</b>
<b>VIII - The major categories of plan assets as a percentage of total plan assets</b>		
Insurer Managed Funds	100%	100%
<b>IX - Principal actuarial assumptions</b>		
Discount rate	7.25%	7.00%
Expected Rate of Return on Plan Assets	6.84%	6.84%
Annual increase in salary cost	7.00%	7.00%

Employee benefit plan typically expose the company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

#### Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

#### Interest Risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

#### Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### Note 31: SEGMENTS REPORTING

The Company is engaged in the business of manufacturing flexible packaging materials and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segment".

The Company has two geographical segments based upon location of its customers - within and outside India:

##### a) Revenue

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Within India	10,893.53	9,828.97
Outside India (Direct Export)	651.92	516.74
<b>Total</b>	<b>11,545.44</b>	<b>10,345.71</b>

Segment revenue reported above represents revenue generated from customers within and outside India from sale of products.

Two customers (PY: Nil) individually contribute more than 10% of entity's revenues. The total revenue from such entities is given below:

(Rs. In Lakhs)

Particulars	For the year ended	
	31.03.2023	31.03.2022
Customer - 1	1,811.56	-
Customer - 2	1,715.31	-
<b>Total</b>	<b>3,526.87</b>	<b>-</b>

**Note 32: RELATED PARTY DISCLOSURES**

	Nature of Relationship	Name of Related Party
I	Key Management Personnel	Anilkumar Bhanubhai Patel Kokila Anilkumar Patel Kunal Anilkumar Patel Vaishali Ankit Amin Nirat Gautam Kothari Harshadkumar Satishchandra Bhatt (upto 26.06.2021) Darshakkumar Sureshchandra Sheth (upto 26.03.2022) Nileshbhai Natverbhai Patel (upto 26.03.2022) Avant Ashit Amin Matrikaa Sharma (from 26.06.2021) Forum Dinesh Lodaya (from 26.03.2022) Pratik Rajesh Shah (from 26.03.2022) Aalok Vijay Davda (from 26.03.2022)
II	Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	Anupam Trading Stag Print pvt ltd OM Suntronics Converting Equipment (upto 31.03.2022) Kalpvrux Converting Products Pvt Ltd (upto 31.03.2022) Precise Automation & Control Pvt Ltd (upto 31.03.2022)

(Rs. In Lakhs)

Name of the related party and nature of transactions and Outstanding balance	For the year ended	
	31.03.2023	31.03.2022
<b>Key Management Personnel</b>		
<b>Anil Patel</b>		
Remuneration	98.40	87.60
Interest on unsecured loan	2.38	2.38
Closing balance of unsecured loan	44.80	42.66
<b>Kunal Patel</b>		
Remuneration	99.00	72.00
Unsecured loan paid	-	35.00
Closing balance of unsecured loan	-	-
<b>Harshadkumar Satishchandra Bhatt (upto 26.06.2021)</b>		
Unsecured loan paid	-	3.61
Closing balance of unsecured loan	-	-
<b>Vaishali Amin</b>		
Remuneration	21.00	18.00
<b>Matrikaa Sharma (from 26.06.2021)</b>		
Salary	1.92	1.44
<b>Others</b>		
<b>KALPVRUX CONVERTING PRODUCT P LTD</b>		
Purchase / Repairing	-	1.71
Purchase of Fixed Assets	-	-
Amount Paid	-	1.08
Closing balance	-	-

<b>PRECISE AUTOMATION AND CONTROL P LTD</b>		
Purchase / Repairing	-	0.04
Purchase of Fixed Assets	-	14.23
Amount Paid	-	14.28
Closing balance	-	-
<b>STAG PRINT P TLD</b>		
Purchase / Expenses	21.70	16.83
Amount Paid	20.00	10.65
Closing balance	(8.73)	(9.05)
<b>OM SUNTRONIC CONVERTING EQUIPMENTS</b>		
Purchase / Repairing	-	0.52
Amount Paid	-	0.49
Closing balance	-	0.24
<b>Anupam Trading Co</b>		
Rent	0.88	1.50

Note:

The Above does not include gratuity and leave encashment benefit since the same is computed actuarially for all employees and amount attributable to the managerial person cannot be ascertained separately.

**Note 33: FINANCIAL INSTRUMENTS****Note 33.1: CAPITAL MANAGEMENT**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term

The Capital Structure of the Company consists both debt and equity.

(Rs. In Lakhs)

DEBT EQUITY RATIO	31.03.2023	31.03.2022
Gross Debt (Long term borrowings and Lease Liability)	1,008	1,377
Gross Debt (A)	1,008	1,377
Total Equity (B)	3,258	3,153
DEBT EQUITY RATIO (A/B)	0.31	0.44

**Note 33.2: FINANCIAL RISKS MANAGEMENT**

In the course of business, amongst others, the Company is exposed to several financial risks such as Credit Risk, Liquidity Risk, Interest Rate Risk, Exchange Risk and Commodity Price Risk.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process:

- identify the major financial risks which may cause financial losses to the company
- assess the probability of occurrence and severity of financial losses
- mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
- Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system

The Company enterprise risk management system is monitored and reviewed at all levels of management, Internal Auditors, Audit Committee and the Board of Directors from time to time.

In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

**(A) COMMODITY PRICE RISK**

The main raw materials which company procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly. The pricing policy of the Company's final product is structured in such a way that any change in price of raw materials is passed on to the customers in the final product however, with a time lag which mitigates the raw material price risk.

With regard to the finished products, the Company has been operating in a global competitive environment which continues to keep downward pressure on the prices and the volumes of the products.

In order to combat this situation, the Company formulated manifold plans and strategies to develop new customers & focus on new innovative products. In addition, it has also been focusing on improvement in product quality and productivity. With these measures, Company counters the competition and consequently commodity price risk.

**(1) FOREIGN CURRENCY RISK**

The company is exposed to the foreign currency risk from transactions. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

As on 31st March, 2023

Currency	Liabilities		Assets		(Amt in Lacs)
	Gross Exposure	Net liability exposure on the currency	Gross Exposure	Net asset exposure on the currency	Net overall exposure on the currency
USD	1.74	1.74	0.48	0.48	(1.26)

As on 31st March, 2022

Currency	Liabilities		Assets		(Amt in Lacs)
	Gross Exposure	Net liability exposure on the currency	Gross Exposure	Net asset exposure on the currency	Net overall exposure on the currency
USD	2.93	2.93	0.08	0.08	(2.85)



**Foreign Currency Sensitivity:**

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(Rs. In Lakhs)

Foreign Currency Exposure	As at 31.03.2023	As at 31.03.2022
<b>Assets :</b>		
Weakening of INR by 5%	1.98	0.32
Strengthening of INR by 5%	(1.98)	(0.32)
<b>Liabilities :</b>		
Weakening of INR by 5%	7.28	10.95
Strengthening of INR by 5%	(7.28)	(10.95)

**(2) INTEREST RATE RISK**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

**(B) CREDIT RISK**

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets. In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained for each and every customer.

The credit risk on cash & cash equivalent, investment in fixed deposits, liquid funds and deposits are insignificant as counterparties are banks or mutual funds with high credit ratings assigned by the trading agencies of international repute.

**(C) LIQUIDITY RISK**

Liquidity Risk arises when the company is unable to meet its short term financial obligations as and when they fall due.

The company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

(Rs. In Lakhs)

Particulars	As at	Total	Due within 12 months from Balance Sheet Date	Due beyond 12 months of Balance Sheet Date
<b>Borrowings</b>				
	31.03.2023	1,917.44	1,085.98	831.46
	31.03.2022	1,962.70	759.20	1,203.50
<b>Tarde Payables</b>				
	31.03.2023	1,745.93	1,745.93	-
	31.03.2022	2,371.71	2,371.71	-
<b>Other Financial Liability</b>				
	31.03.2023	71.50	71.50	-
	31.03.2022	109.50	109.50	-
<b>Lease Liabilities</b>				
	31.03.2023	176.15	-	176.15
	31.03.2022	173.37	-	173.37

**Note 34: FAIR VALUE MEASUREMENTS**

The carrying value of instruments by categories are as follows:

(Rs. In Lakhs)

Particulars	As at	Amortised Cost	Financial Assets/Liabilities at fair value through Profit or Loss	Financial Assets/Liabilities at fair value through OCI	Total Carrying Value
<b>Assets</b>					
<b>Financial Assets</b>					
i) Investments	31.03.2023	-	94.95	1.30	96.25
	31.03.2022	-	93.82	1.30	95.12
ii) Other Financial Assets	31.03.2023	62.28	-	-	62.28
	31.03.2022	63.42	-	-	63.42
iii) Trade Receivables	31.03.2023	1,279.09	-	-	1,279.09
	31.03.2022	1,508.59	-	-	1,508.59
iv) Cash and cash Equivalents	31.03.2023	14.01	-	-	14.01
	31.03.2022	69.83	-	-	69.83
v) Other Bank balance	31.03.2023	194.06	-	-	194.06
	31.03.2022	88.65	-	-	88.65
<b>Total</b>	<b>31.03.2023</b>	<b>1,487.16</b>	<b>94.95</b>	<b>1.30</b>	<b>1,583.41</b>
	<b>31.03.2022</b>	<b>1,667.07</b>	<b>93.82</b>	<b>1.30</b>	<b>1,762.19</b>

**Liabilities****Financial Liabilities**

(Rs. In Lakhs)

i) Borrowings (Non-Current and	31.03.2023	1,917.44	-	-	1,917.44
	31.03.2022	1,962.70	-	-	1,962.70
ii) Trade Payables	31.03.2023	1,745.93	-	-	1,745.93
	31.03.2022	2,371.71	-	-	2,371.71
iii) Other Financial Liability	31.03.2023	71.50	-	-	71.50
	31.03.2022	109.50	-	-	109.50
iv) Lease Liabilities	31.03.2023	176.15	-	-	176.15
	31.03.2022	173.37	-	-	173.37
<b>Total</b>	<b>31.03.2023</b>	<b>3,911.02</b>	<b>-</b>	<b>-</b>	<b>3,911.02</b>
	<b>31.03.2022</b>	<b>4,617.28</b>	<b>-</b>	<b>-</b>	<b>4,617.28</b>

**Fair Value hierarchy disclosures:**

**Level 1** - Financial Instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETF's and mutual funds that have quoted prices. The fair value of all equity instruments (including bonds) which are traded in stock exchanges is valued using the closing prices as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2** - Financial Instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This is the case of unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The management has carried out analysis of financial assets and liabilities for all the reporting periods and has concluded that there are no financial assets and liabilities to be considered at fair value and disclosed under Level 1, Level 2 or Level 3 and all the financial assets and liabilities are at its carrying value which is equal to the fair value measured at amortised cost.

The carrying amounts of trade receivables, cash and cash equivalent, bank balances, current loans, current other financial assets, trade payables, current borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The carrying amounts of non current financial loans are considered to be the same as their fair value as it consist of security deposit with Government Organisations such as Electricity companies, which are interest bearing and are close to the fair value. Also, it consist of loans given to employees which are also interest bearing and are close the fair value.

The carrying amount of non current other financial assets are considered to be the same as their value as it consist of interest bearing fixed deposits having maturity of more than 12 months and are close to the fair value.

**Note :35 Leases**
**Company as a lessee**

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.

**a) Amounts recognised in the Balance Sheet**

(Rs. In Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
<b>(i) Right-of-use Asset - Rented Premises</b>		
Cost	170.35	170.35
Accumulated Depreciation	13.63	6.81
Net Carrying Amount	156.72	163.54
<b>(ii) Lease liabilities - Borrowings</b>		
<b>Beginning of the year/period</b>	173.37	-
Additions	-	170.35
Accretion of interest	12.22	12.02
Payments	(9.45)	(9.00)
Deletion	-	-
<b>Closing of the year/period</b>	176.15	173.37
<b>Current</b>	-	-
<b>Non-Current</b>	176.15	173.37

**b) Amounts recognised in the Statement Of Profit And Loss**

(Rs. In Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
<b>(i) Finance Cost</b>		
Interest Expense On Lease Liability	12.22	12.02
<b>(ii) Depreciation</b>		
Depreciation on right of use lease asset	6.81	6.81

**c) Amounts recognised in Cash Flow Statement**

(Rs. In Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Total cash outflow for leases	9.45	9.00

**d) Expense relating to short-term leases and Low-value**

(Rs. In Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Amount recognised in statement of Profit and Loss	3.74	1.50

**Note 36 : Capital Work in Progress Ageing**

(Rs. In Lakhs)

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	
Ageing for capital work-in-progress as at March 31, 2023 is as follows:					
Capital Work in Progress	5.13	-	-	-	5.13
<b>Total</b>	<b>5.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.13</b>
Ageing for capital work-in-progress as at March 31, 2022 is as follows:					
Capital Work in Progress	15.14	-	-	-	15.14
<b>Total</b>	<b>15.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.14</b>

**Note 37 : Trade Receivables Ageing Discloser**

(Rs. In Lakhs)

Trade Receivable Ageing summary						
SN	Particulars	Outstanding for following periods				Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years
	<b>As at 31 March 2023</b>					
(i)	Undisputed Trade Receivable - Considered Good	1,198.45	18.44	13.56	35.52	0.00
	Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivable - credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivable - Considered Good	-	-	-	-	16.23
	Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivable - credit impaired	-	-	-	-	-
	<b>Total</b>	<b>1,198.45</b>	<b>18.44</b>	<b>13.56</b>	<b>35.52</b>	<b>16.23</b>
	Less: Expected Credit Loss (ECL)	-	-	0.27	2.84	0.00
	<b>Total Trade Receivable</b>	<b>1,198.45</b>	<b>18.44</b>	<b>13.29</b>	<b>32.68</b>	<b>16.23</b>

**As at 31 March 2022**

(Rs. In Lakhs)

(i)	Undisputed Trade Receivable - Considered Good	1,409.10	22.07	52.85	0.63	7.70
	Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivable - credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivable - Considered Good	-	-	-	3.40	12.83
	Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivable - credit impaired	-	-	-	-	-
	<b>Total</b>	<b>1,409.10</b>	<b>22.07</b>	<b>52.85</b>	<b>4.03</b>	<b>20.53</b>
	Less: Expected Credit Loss (ECL)	-	-	-	-	-
	<b>Total Trade Receivable</b>	<b>1,409.10</b>	<b>22.07</b>	<b>52.85</b>	<b>4.03</b>	<b>20.53</b>

**Note 38 : Trade Payable Ageing Discloser**

(Rs. In Lakhs)

Trade Payable Ageing summary						
SN	Particulars	Outstanding for following periods				Total
		Less than 1 year	1-2 years	2-3 Years	More than 3 Years	
	<b>As at 31 March 2023</b>					
(i)	MSME	15.08	-	-	-	15.08
(ii)	Others	1,656.45	40.68	33.72	-	1,730.85
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
		<b>1,671.53</b>	<b>40.68</b>	<b>33.72</b>	<b>-</b>	<b>1,745.93</b>
	<b>As at 31 March 2022</b>					
(i)	MSME	12.91	-	-	-	12.91
(ii)	Others	2,349.50	1.57	0.31	7.42	2,358.79
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
		<b>2,362.42</b>	<b>1.57</b>	<b>0.31</b>	<b>7.42</b>	<b>2,371.71</b>

**Note 39 : Additional Regulatory Information**
**Ratios**

Ratio	Numerator	Denominator	Current Year	Previous Year	% of Variance	Remarks if difference is > 25%
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.05	1.07	-1.43%	
Debt Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	0.31	0.44	-29.19%	The ratio has improved on account of repayment of debt and positive financial performance of company.
Debt Service Coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-Cash operating expenses + Interest + Other non-cash adjustments	Debt Service = Interest and lease payments + principal repayment	0.97	0.82	18.73%	
Return on Equity Ratio (in %)	Profit for the year less preference dividends (if any)	Average total equity	3.02%	1.11%	171.86%	The said variance is on account of positive financial performance of the company.
Trade Receivable turnover ratio (in times)	Revenue from operations	Average Trade Receivables	8.29	8.43	-1.59%	
Trade Payables turnover ratio (in times)	Cost of Material Consumed + Manufacturing Exp + Changes in Inventories + Other Expenses	Average Trade Payables	5.20	5.44	-4.34%	
Net Capital Turnover Ratio (in times)	Revenue from Operations	Average Working Capital (i.e. Total Current Assets less Total Current Liabilities)	59.97	23.70	153.03%	The said variance is on account of positive financial performance of the company.
Net Profit Ratio (in %)	Profit for the year	Revenue from Operations	0.84%	0.33%	150.29%	The said variance is on account of positive financial performance of the company.
Return on Capital Employed (in %)	Profit before tax and finance cost	Capital Employed = Net Worth + Lease Liabilities + Deferred Tax Liabilities	9.02%	5.51%	63.60%	The said variance is on account of positive financial performance of the company.
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	3.01%	8.48%	-64.44%	The said variance is on account of poor performance of Investment in Mutual funds.

**Note 40 : CORPORATE SOCIAL RESPONSIBILITIES (CSR)**

- a) As per Section 135 of the Companies Act, 2013, ("the Act") a Company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The areas for CSR activities are education of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.
- b) The gross amount required to be spent by the Company during the year is Rs. 10.36 Lacs ( PY Rs. 11.25 lacs ).  
The disclosure in respect of CSR Expenditure is as under:

Particulars	(Rs. In Lakhs)	
	For the year ended	
	31.03.2023	31.03.2022
Gross amount required to be spent by the Company during he year	10.36	11.26
Surplus arising out of CSR Project	-	-
Set off available from Previous Years	-	-
<b>Total CSR obligation for the year</b>	<b>10.36</b>	<b>11.26</b>
Amount approved by the Board to be spent during the year	10.40	11.30
Amount Spent during the Year	10.40	11.30
Set off available for succeeding years	-	-
<b>Shortfall at the end of the year</b>	<b>-</b>	<b>-</b>

The details of the amounts spent on CSR activities are as follows :

Particulars	(Rs. In Lakhs)	
	For the year ended	
	31.03.2023	31.03.2022
(i) Construction / Acquisition of any asset	-	-
(ii) On purposes other than (i) above		
Promoting Education	10.36	
Healthcare	-	11.30
	<b>10.36</b>	<b>11.30</b>

- c) The details pursuant to requirements of Section 135(5) for unspent amount as at March 31, 2023 is as under:

Particulars	(Rs. In Lakhs)	
	For the year ended	
	31.03.2023	31.03.2022
<b>Opening Balance</b>	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Add Amount required to be spent during the year	10.36	11.30
Less Amount Spent During the year	10.36	11.30
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**Note 41 : EARNING PER SHARE (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(Rs. In Lakhs)	
	As at	As at
	31.03.2023	31.03.2022
Earnings Per Share has been computed as under:		
Profit attributable to equity holders of the Company (Numerator)	96.66	34.77
Weighted average number of equity shares outstanding (Denominator)	10.73	10.73
<b>Earnings Per Share (Equity Shares, Par Value of Rs. 10/- each)</b>		
Basic (Rs.)	9.01	3.24
Diluted (Rs.)	9.01	3.24

**Note 42 :**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company do not have any such transaction which is not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- viii) The company holds all the title deeds of immovable property in its name.
- ix) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- x) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

**Note 43 :**

The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

The balance sheet has been prepared in absolute numbers and then converted into lakhs to meet the presentation requirement as per Companies Act, accordingly the variance on account of decimals rounding-off may exist.

**Note 44 : Code on Social Security, 2020 :**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

The accompanying notes are integral part of the Financial Statements

As per our report of even date attached

**For Shah Mehta And Bakshi**

**Chartered Accountants**

Firm Registration No. 103824W

**For and on behalf of the Board of Directors**

**Purity Flexpack Ltd**

CIN : L25200GJ1988PLC010514

**Kalpiti Bhagat**

Partner

Membership No. 142116

**Vaishali Amin**

Chairperson

DIN: 00194291

**Kunal Patel**

Director & CFO

DIN: 00106545

**Matrikaa Sharma**

Company Secretary

Place: Vadodara

Date: 29 May,2023

Place: Vanseti

Date: 29 May,2023



## **Purity Flexpack Limited**

Factory & Registered Office

At: Vanseti, Post: Tajpura, Near Halol, Dist: Panchmahal 389 350