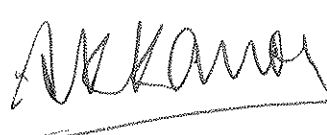
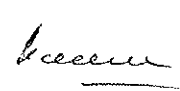




**FORM A****(Pursuant to Clause 31(a) of Listing Agreement)**

Sr. No.	Particulars	Details
1.	Name of the Company	TCPL Packaging Limited
2.	Annual Standalone financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	NA
5.	Signed By:  Managing Director  Chief Financial Officer  Audit Committee Chairman  Auditors of the Company	   

---

**Twenty-Sixth  
Annual Report  
2013-2014**

---





---

**BOARD OF DIRECTORS**

Sajjan Jindal, Chairman

C. M. Maniar

Sudhir A. Merchant

Atul Sud

K. K. Kanoria, Whole-time Director

Saket Kanoria, Managing Director

Rishav Kanoria, Executive Director

S. G. Nanavati, Executive Director

**COMPANY SECRETARY**

Pravin Karambelkar

**AUDITORS**

Shah Gupta & Co.

Chartered Accountants

**REGISTERED OFFICE**

Shiv Smriti,

49, Dr. Annie Besant Road,

Worli, Mumbai - 400 018.

Tel : +91 22 66606006

Fax : +91 22 24935893

Email : info@tcpl.in

Website : www.tcpl.in

**SHARE TRANSFER AGENTS**

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai 400078

Phone : +91 22 25963838

Fax : +91 22 25946969

Email : mumbai@linkintime.co.in

CIN No. : L22210MH1987PLC044505

## INDEX

<b>CONTENTS</b>	<b>PAGE NOS.</b>
FINANCIAL DATA/OPERATING PERFORMANCE FOR THE LAST 10 YEARS	5
NOTICE OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING	6
REPORT ON CORPORATE GOVERNANCE	12
INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE	19
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	20
DIRECTORS' REPORT	21
INDEPENDENT AUDITORS' REPORT	24
BALANCE SHEET	28
STATEMENT OF PROFIT AND LOSS	29
CASH FLOW STATEMENT	30
STATEMENT OF ACCOUNTING POLICIES	32
NOTES TO FINANCIAL STATEMENTS	34
NOTES TO ACCOUNTS	44

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

(₹ in lacs)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Employed:							*	*	*	*
Net Fixed Assets	4815.03	6435.49	6956.36	9551.38	9175.88	10570.72	11559.64	14901.56	16228.03	18723.98
Net Current Assets	805.16	878.10	1168.29	2125.61	2945.22	3014.26	2603.11	2988.54	4731.14	5222.04
Non Current assets (other Than fixed Assets )	-	-	-	-	-	-	685.98	909.05	623.14	482.10
<b>Total</b>	<b>5620.19</b>	<b>7313.59</b>	<b>8124.65</b>	<b>11676.99</b>	<b>12121.10</b>	<b>13584.98</b>	<b>14848.73</b>	<b>18799.15</b>	<b>21582.31</b>	<b>24428.12</b>
Financed by:										
Shareholders' Fund	2510.49	2935.39	3286.83	4666.62	4844.42	5322.79	5979.67	6715.84	7796.75	8792.65
Long Term Loans	1597.96	3228.34	3574.23	5672.81	5468.88	6186.82	4850.11	6954.60	6121.36	7817.40
Working Capital Loans	728.96	497.04	500.08	697.71	1122.90	1435.20	3077.57	4006.05	6229.53	6192.98
Unsecured Loans	3.54	-	170.00	-	9.50	-	-	200.00	200.00	204.00
Deferred Tax Liability	779.24	652.82	593.51	639.84	675.40	640.17	756.17	927.63	1006.37	1204.14
Non Current Liabilities	-	-	-	-	-	-	185.21	195.03	228.30	216.95
<b>Total</b>	<b>5620.19</b>	<b>7313.59</b>	<b>8124.65</b>	<b>11676.98</b>	<b>12121.10</b>	<b>13584.98</b>	<b>14848.73</b>	<b>18999.15</b>	<b>21582.31</b>	<b>24428.12</b>
<b>Sales:</b>										
Notional Turnover	10421.00	11361.00	13984.00	16217.00	19152.00	22304.00	28567.00	33704.00	42083.00	44729.00
Turnover	7769.09	9034.01	11187.39	13092.89	17121.56	19609.78	25102.55	29567.87	38877.69	41243.57
Excise	1237.49	1275.05	1279.16	1427.80	1399.32	997.82	1413.09	1650.66	2114.15	2239.62
Net Turnover	6531.60	7758.96	9908.23	11665.09	15722.24	18611.96	23689.46	27917.21	36763.54	39003.95
Of Which:										
Exports	1053.79	1789.13	2150.23	2210.06	2088.63	2337.00	3101.00	4864.43	7272.95	6188.71
<b>EBIDTA</b>	<b>959.27</b>	<b>1157.70</b>	<b>1467.45</b>	<b>1723.16</b>	<b>2331.31</b>	<b>2742.27</b>	<b>3477.19</b>	<b>4486.03</b>	<b>5579.73</b>	<b>6191.11</b>
Interest	247.82	320.19	423.06	544.27	729.28	662.78	983.75	1196.50	1495.68	1765.60
Foreign Exchange Fluctuation	-	-	-	-	49.63	85.10	62.09	353.46	14.30	73.95
Cash Profit	711.45	837.51	1044.39	1178.89	1602.03	1994.39	2431.35	2936.06	4069.74	4352.44
Depreciation	394.85	499.41	661.97	816.90	1114.01	1209.10	1462.54	1796.65	2035.27	2379.29
<b>Profit before tax</b>	<b>316.60</b>	<b>338.10</b>	<b>382.42</b>	<b>361.99</b>	<b>488.04</b>	<b>785.29</b>	<b>968.81</b>	<b>1139.41</b>	<b>2034.47</b>	<b>1973.13</b>
Profit after tax	231.52	418.11	308.72	292.34	346.80	443.30	628.70	770.50	1350.63	1250.36
<b>Dividend amount</b>	<b>88.19</b>	<b>93.22</b>	<b>100.38</b>	<b>134.25</b>	<b>134.25</b>	<b>139.93</b>	<b>145.57</b>	<b>202.23</b>	<b>269.72</b>	<b>254.46</b>
Earning Per Share (Amt. in ₹)	4.45	7.80	5.49	4.33	4.52	5.63	7.69	8.93	15.52	14.37
Dividend Per Share (Amt. in ₹)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.65	2.50

\* Figures - F.Y. 2010-11 onwards are regrouped and as per revised Schedule VI of the Companies Act, 1956

## NOTICE

Notice is hereby given that the Twenty-Sixth Annual General Meeting of TCPL Packaging Ltd. will be held on 1st August, 2014 at 4.30 p.m. at Sunville Deluxe Pavilion, 9 Dr. Annie Besant Road, Worli, Mumbai 400018 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance sheet as at 31st March 2014 and Profit and Loss Account for the year ended 31st March 2014, and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend for the year ended 31st March 2014.
3. To appoint a Director in place of Mr. Sajjan Jindal (DIN:00017762) who retires by rotation and eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. G. Nanavati (DIN:00023526) who retires by rotation and eligible, offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration and to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Shah Gupta & Co., Chartered Accountants (Registration No. 109574W), be and are hereby re-appointed as Auditors of the Company from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Audit Committee of the Board of Directors be and is hereby authorised to determine the remuneration payable to the Auditors."

### SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution:  
**"RESOLVED THAT** pursuant to Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and any statutory modification or enactment thereof and the Guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to such requisite approvals, if any, consent of the Company be and is hereby accorded for the re-appointment of Mr. S. G. Nanavati (DIN:00023526) as the Executive Director of the Company, for a period commencing from 1st June, 2014 to 31st May 2017 upon and subject to the remuneration, terms and conditions as set out in the Agreement dated 30th May, 2014, entered into by the company with him."
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹75,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses, for the Financial Year commencing on 1st April, 2014 and ending on 31st March, 2015, as approved by the Board of Directors of the Company, to be paid to M/s NKJ & Associates, Cost Accountants (Registration No. 18869), for the conduct of the Cost Audit of the Company, be and is hereby ratified and confirmed."

**By Order of the Board**

Pravin Karambelkar  
Company Secretary

### Registered Office:

Shiv Smriti,  
49, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018  
Dated:30th May 2014.

### Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
- 2) The Register of Members of the Company will remain closed from 21st July 2014 to 1st August 2014 (both days inclusive)
- 3) Transfer of Shares (in physical form) received in order by the Company at the Registered Office or at the office of the Company's

Registrar and Transfer Agent, on or before 21st July 2014 will be passed for payment of dividend, if declared.

- 4) The dividend that may be declared at this meeting will be payable to those members (or to their mandates) whose names are in the Company's Register of Members on 21st July 2014 subject to the provisions of Section 126 of the Companies Act, 2013. In respect of shares held in electronic form (dematerialised shares), the dividend will be payable to such beneficial owners as per list furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- 5) Members are requested to notify immediately any change in their address/mandate/bank details to the Company, quoting their Folio Number.

## **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### **Item No. 6**

The Board in its meeting held on 30th May 2014 has approved the re-appointment of Mr. S. G. Nanavati (DIN:00023526) as Executive Director with effect from 1st June 2014, pursuant to Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

He was appointed as Executive Director at a board meeting held on 30th May 2011 for a period of 3 years with effect from 1st June 2011, the same was ratified by members in 23rd Annual General Meeting held on 30th June 2011. His existing term of office as Executive Director shall be completed on 31st May, 2014.

Mr. S. G. Nanavati is not disqualified from being appointed as Executive Director in terms of Section 164 (2) of the Act.

The agreement entered with Mr. S. G. Nanavati will be available for inspection to the Members at the Registered office of the Company during the Company's business hours on any working day of the Company upto and including the date of meeting.

No other Director is interested in appointment of Mr. S. G. Nanavati excepting him. The Board recommends the resolution for approval of the shareholders.

### **Item No. 7**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on 30th May, 2014 the Board has considered and approved appointment of M/s NKJ & Associates, Cost Accountants (Registration No. 18869), for the conduct of the Cost Audit of the Company at a remuneration of ₹75,000 (Rupees Seventy Five Thousand) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on 31st March, 2015.

The resolution of Item No. 7 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 7.

**By Order of the Board**

Pravin Karambelkar  
Company Secretary



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

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

1. Name : Mr. Sajjan Jindal
- Age : 54 years
- Qualification : B E (Mech)
- Expertise : He is one of the leading Industrialists in India. He is associated with the Company since its incorporation in 1988-89 and is Chairman on the Board of Directors

### Other Directorships:

S.No.	Name of the Companies	Position Held
1	JSW Steel Limited	Managing Director
2	JSW Energy Limited	Managing Director
3	JSW Holdings Limited	Director
4	Vrindavan Fintrade Limited	Director
5	JSW Bengal Steel Limited	Director
6	JSOFT Solutions Limited	Director

2. Name : Mr. S. G. Nanavati
- Age : 57 years
- Qualification : B.Com, CA, CS
- Expertise : Finance, Legal, Administration

### Other Directorships:

S.No.	Name of the Companies	Position Held
1	Accura Reprotech Private Limited	Director

**By Order of the Board**

Pravin Karambelkar  
Company Secretary

### Registered Office:

Shiv Smriti  
49, Dr Annie Besant Road  
Worli, Mumbai 400 018  
Dated : 30th May, 2014

## ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING DATED 30th MAY 2014.

Notice is further given that the following items of business shall be included in the aforesaid notice as additional items as No. 8 and 9 under Special Business:

8. To appoint Mr. Rabindra Jhunhunwala (DIN:00050729) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rabindra Jhunhunwala, who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019".

9. To appoint Ms. Sonal Agrawal (DIN:00021900) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Sonal Agrawal, who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019".

### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following statements sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### Item No. 8

The Board of Directors of the Company appointed pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Rabindra Jhunhunwala as an Additional Director of the Company with effect from 30th June, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Rabindra Jhunhunwala would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rabindra Jhunhunwala for the office of Director of the Company.

Mr. Rabindra Jhunhunwala is not disqualified from being appointed as a Director in terms of Section 164 (2) of the Act and has given his consent to act as a Director.

As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Rabindra Jhunhunwala that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Rabindra Jhunhunwala possesses appropriate skills, experience and knowledge, inter alia, in the field of Corporate laws and legal field.

In the opinion of the Board, Mr. Rabindra Jhunhunwala fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Rabindra Jhunhunwala is independent of the management.

#### Brief Profile of Mr. Jhunhunwala:

Mr. Rabindra Jhunhunwala is a partner in Corporate practice at the Mumbai office of Khaitan & Co. He focuses on domestic and cross border mergers and acquisitions, and private equity investments, advising regularly on all aspects of foreign investments (both inbound and outbound) and regulatory approvals. Mr. Jhunhunwala joined the Khaitan & Co. in its Kolkata office in 1999 and was one of the co-founding members who set up the Mumbai office in 2001.

Mr. Jhunhunwala has advised several multinational and domestic clients on noteworthy cross-border and domestic M&A transactions, private equity investments and other corporate commercial matters. He has also advised several bidders in relation to privatization of Government owned businesses and companies in India.

Mr. Jhunjhunwala has been recommended by several leading publications including Chambers Asia, Asialaw Leading Lawyers and PLC Which Lawyer? for his Corporate/M&A law expertise. IFLR 1000-2012, IFLR 1000-2011 and IFLR 1000-2009 recommended him as one of the Leading Lawyers in India. India M&A Atlas Awards 2011 has awarded Mr. Jhunjhunwala and his team as the Private Equity Law Team of the Year. He was also listed by Asian Legal Business as the only Indian lawyer in the Movers & Shakers section of its cover story, ALB Hot 100: the Hottest Lawyers of 2008.

Copy of the draft letter for appointment of Mr. Rabindra Jhunjhunwala as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the other Directors / Key Managerial Personnel of the Company are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.8 of the Notice for approval by shareholders.

#### **Item No. 9**

The Board of Directors of the Company appointed pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Sonal Agrawal as an Additional Director of the Company with effect from 30th June, 2014.

In terms of the provisions of Section 161(1) of the Act, Ms. Agrawal would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Agrawal for the office of Director of the Company.

Ms. Agrawal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Agrawal that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Ms. Agrawal possesses appropriate skills, experience and knowledge; inter alia, in the field of executive search and selection activities, financial and management activities.

In the opinion of the Board, Ms. Agrawal fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Ms. Agrawal is independent of the management.

#### **Brief Profile of Ms. Agrawal:**

Ms. Agrawal has two decades of experience in executive search & selection in India. She has co-founded and currently manages Accord Group India. Apart from working with Conglomerates for leadership and board hiring, she leads the financial Services and Professional Services practices for Accord. She also anchors the Diversity practice, a fast growing area for the firm.

Ms. Agrawal serves as the Asia-Pacific representative on the global management committee for AltoPartners, an AESC certified global alliance of independent executive search firms across the Americas, Europe and Asia-Pacific of which she is a founding member. She has also served on the boards of ABC Consultants India, ABC Consultants Singapore and Watson Wyatt India.

Ms. Agrawal is an active member of the Young Professionals Organization (YPO), a peer network of young global leaders in 100 nations. She was named by the Economic Times as one of the Top 10 Headhunters in India, by BusinessWeek, USA as one of the 150 Most Influential Headhunters in the World, 2008 and by Business Today as one of the Next 30 Most Powerful Women to watch out for in India. She writes a monthly column on career issues in the Mint, an affiliate of the Wall Street Journal in India. Ms. Agrawal often speaks on diversity, recruiting, doing business with India and other related issues at various industry forums and workshops.

Born in East Africa and raised in Kolkata, Ms. Agrawal read for a B.Sc in Economics from St Xavier's College Kolkata, and then completed her MBA from the London Business School, UK.

Copy of the draft letter for appointment of Ms. Sonal Agrawal as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the other Directors / Key Managerial Personnel of the Company is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

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

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

1. Name : Mr. Rabindra Jhunjhunwala
- Age : 41 years
- Qualification : B. A. LL.B. (Hons.)
- Expertise : He is one of the leading lawyers. He is associated with Khaitan & Co. since 1999.

### Other Directorships:

S. No.	Name of the Companies	Position Held
1	RN Management Services Private Limited	Director
2	R J Management Services Private Limited	Director
3	Rolland Financial & Management Services Private Limited	Director
4	Henry Financial & Management Services Private Limited	Director
5	DL Management Services Private Limited	Director
6	LD Management Services Private Limited	Director
7	JJ Management Services Private Limited	Director
8	JC Management Services Private Limited	Director
9	Fennel Investment And Finance Private Limited	Director
10	Trett Consulting (India) Limited	Director
11	Kabari Private Limited	Director
12	Khaitan Consultants Limited	Director
13	Rosevalley Developers Private Limited	Director
14	Ranila Consultants Private Limited	Director
15	Orient Cement Limited	Director
16	Khaitan & Co. LLP	Partner

2. Name : Ms. Sonal Agrawal
- Age : 46 years
- Qualification : B.Sc. (Economics), MBA
- Expertise : Human Resource, Finance, Management

### Other Directorships:

S. No.	Name of the Companies	Position Held
1	Accord Group (India) Private Limited	Whole-time Director
2.	KQ Staffing Private Limited	Director
3.	HEADHONCHOS Solutions Private Limited	Director

**By Order of the Board**

Pravin Karambelkar  
Company Secretary

### Registered Office:

Shiv Smriti  
49, Dr. Annie Besant Road  
Worli, Mumbai 400 018  
Dated: 30th June, 2014

## REPORT ON CORPORATE GOVERNANCE

### I. MANDATORY REQUIREMENTS

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

The Company's philosophy on Corporate Governance is to make an earnest endeavor for increasing the level of transparency, accountability and equity in all its dealings with customers, suppliers, shareholders, lenders and employees. In widest sense we believe that it is our responsibility to adhere and enforce sound principles of Corporate Governance and your Company believes in the same

#### 2. Board of Directors

##### A) Composition

The Board of Directors of the Company are eminent and persons with professional expertise which includes vast knowledge in the fields of finance, taxation, law and management

The Board of Directors of the Company as on 31st March 2014 consists of 9 members comprising:

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

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

As on 31st March, 2014

Name of Director	Category of Director	Directorships held in other Companies*		Committee Memberships Held on other Companies**	
		As Director	As Chairman	As Member	As Chairman
Mr. Sajjan Jindal	Non-Executive	6	-	-	-
Mr. Saket Kanoria	Executive	-	-	-	-
Mr. K.K.Kanoria	Executive	-	-	-	-
Mr. Sudhir Merchant	Non-Executive	2	-	-	-
Mr. C.M.Maniar	Non-Executive	8	-	5	-
Mr. Atul Sud	Non-Executive	-	-	-	-
Mr. Pradip Kumar Khaitan	Non-Executive	14	-	4	-
Mr. Rishav Kanoria	Executive	-	-	-	-
Mr. S. G. Nanavati	Executive	-	-	-	-

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

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

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

During the Financial period ended 31st March 2014, four Board Meetings were held on 07.05.2013, 24.07.2013, 29.10.2013 and 30.01.2014.

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

Name of Director	Board Meetings Attended	Attendance at last AGM
		24th July 2013
Mr. Saket Kanoria	4	Yes
Mr. K.K. Kanoria	3	Yes
Mr. Sudhir Merchant	4	Yes
Mr. C.M. Maniar	4	Yes
Mr. Atul Sud	4	No
Mr. Pradip Kumar Khaitan	2	Yes
Mr. Rishav Kanoria	4	Yes
Mr. S. G. Nanavati	4	Yes

**E) Particulars of following Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 26th Annual General Meeting**

Sr. No.	Name of Directors	Remarks
1.	Mr. Sajjan Jindal	Retires by rotation and seeks for re-appointment.
2.	Mr. S. G. Nanavati	Retires by rotation and seeks for re-appointment.

**3 Audit Committee**

**A) Composition**

The Board of Directors of the Company constituted an Audit Committee comprising 3 Independent Non-Executive Directors viz. Mr. Atul Sud, Mr.C.M. Maniar and Mr.Sudhir Merchant. All the members of the Audit Committee are financially literate. Mr. Pravin Karambelkar is the Secretary of the Audit Committee.

Mr. Atul Sud is the chairman of Audit Committee

**B) Terms of Reference**

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

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

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

During the financial period ended 31st March 2014, 4 meetings were held on 07.05.2013, 24.07.2013, 29.10.2013 and 30.01.2014 and the attendance were as under:

Name of Director	Meetings Attended
Mr. Sudhir Merchant	4
Mr. C.M. Maniar	4
Mr. Atul Sud	4

**4. Remuneration Committee :**

**A) Composition**

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

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

During the period ended 31st March 2014 meeting was held on 7th May 2014.

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

The remuneration paid to the Directors of the Company during the financial year ended 31st March 2014 is as under :

(₹ in lacs)

Name of the Directors	Sitting Fees	Salary	Perquisites	Bonus/ Ex-gratia	PF contribution	Commission	Total
Mr. Sajjan Jindal, Chairman	0.05	-	-	-	-	-	0.05
Mr. Saket Kanoria, Managing Director	-	42.00	2.07	4.32	5.04	15.00	68.43
Mr. K. K. Kanoria, Whole-time Director	-	33.00	11.32	3.24	3.96	10.00	61.52
Mr. Rishav Kanoria, Executive Director	-	11.76	3.15	1.15	1.41	5.00	22.47
Mr. Sudhir Merchant, Director	0.65	-	-	-	-	-	0.65
Mr. C. M. Maniar, Director	0.65	-	-	-	-	-	0.65
Mr. Atul Sud, Director	0.65	-	-	-	-	-	0.65
Mr. Pradip Kumar Khaitan, Director	0.15	-	-	-	-	-	0.15
Mr. S.G. Nanavati - Executive Director	-	24.13	2.55	1.02	1.07	-	28.77

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

## 5. Shareholders' / Investors' Grievance Committee

### A) Composition

The Shareholders'/Investors' Grievance Committee comprises of three Independent Non-Executive Directors viz. Mr.C.M.Maniar, Mr. Atul Sud and Mr. Sudhir Merchant. The Committee looks into Redressal of shareholders / investors' complaints. Mr. S.G. Nanavati – Executive Director has been designated as the Compliance Officer.

### B) Meetings and Attendance during the year

During the financial period ended 31st March 2014 meetings were held on 07.05.2013, 24.07.2013, 29.10.2013 and 30.01.2014 and the Attendance were asunder:

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

### C) Status of Transfers

During the year ended 31st March 2014, 15444 shares in physical form were processed for transfer. There were no pending shares for transfer as on 31st March 2014.

### D) Complaints

During the year ended 31st March 2014, the Company received 22 complaints from the shareholders which are relating to non-receipt of share certificates /dividend warrants/annual reports/change of address and non-receipt of duly transferred shares etc. and the same were duly redressed

## 6. General Body Meetings

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

AGM	Year Ended	Venue	Date	Time
25th	31st March 2013	Sunville Deluxe Pavilion 9, Dr.Annie Besant Road Worli, Mumbai 400018	24.07.2013	04.30 p.m.
24th	31st March 2012	Sunville Deluxe Pavilion 9, Dr.Annie Besant Road Worli, Mumbai 400018	27.07.2012	04.00.p.m
23rd	31st March 2011	Sunville Deluxe Pavilion 9, Dr.Annie Besant Road Worli, Mumbai 400018	30.06.2011	04.30.p.m

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

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

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

AGM	Date	Matter
25th	24.07.2013	(i) Reappointment of Managing Director and increase his remuneration (ii) Reappointment of Whole-time Director and increase his remuneration (iii) Appointment of Executive Director and fix his remuneration
24th	27.07.2012	(i) No Special Resolution was passed
23rd	30.06.2011	(i) Allotment of 550000 Warrants to Promoters/Promoter Group (ii) Conversion of 700000 Warrants and allotment of shares of in lieu thereof

### D) Voting by Postal Ballot

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

## 7. Disclosures

- A) The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.
- B) During the period ended 31st March 2014, the Company has transferred ₹2,32,433/- being the amount of unclaimed dividend for the year 2005-2006 to Investors Education and Protection Fund.
- C) While preparation of the financial statements, no accounting treatment, which is different from the prescribed in an Accounting Standard, was followed.
- D) The Company has laid down the procedure to inform the Board Members about the risk assessment and minimization procedures.
- E) During the year ended 31.3.2014, there were no transactions with any of the Non-Executive Directors except for the payment for attending Board Meetings and other Committee Meetings.
- F) There was no material, financial and commercial transaction where the Senior Management of the Company had personal interest that may have potential conflict with the interests of the company at large.

## 8. Means of Communication

The Quarterly, Half Yearly and Yearly Financial Results of the Company are sent to the Stock Exchanges immediately after their approval at the Board Meetings. These Results were published in leading financial/non-financial newspapers on 09/05/2013, 26/07/2013, 31/10/2013 & 01/02/2014. These results are simultaneously posted on the Website of the Company at [www.tcpl.in](http://www.tcpl.in)

## 9. Code of Conduct

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

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

## 10. General Shareholder information

### A) Annual General Meeting

Date : 1st August, 2014

Time : 4.30 p.m.

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

### B) Financial Calendar 2014-15

First quarter results : By 14.08.2014

Second quarter results : By 15.11.2014

Third quarter results : By 14.02.2015

Annual results for the year ending on 31st March 2015 : By 30.05.2015

Annual General Meeting for the year 2014-15 : By 30.09.2015



### C) Book Closure

From 21.07.2014 to 01.08.2014 (both days inclusive). Dividend, if declared at the AGM, will be paid on or after 06.08.2014.

### D) Listing of Shares & Other Securities

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

### E) Stock Code:

(a) Trading Symbol at Stock Exchange, Mumbai (Physical Segment) - 23301

Stock Exchange, Mumbai (Demat Segment) - 523301

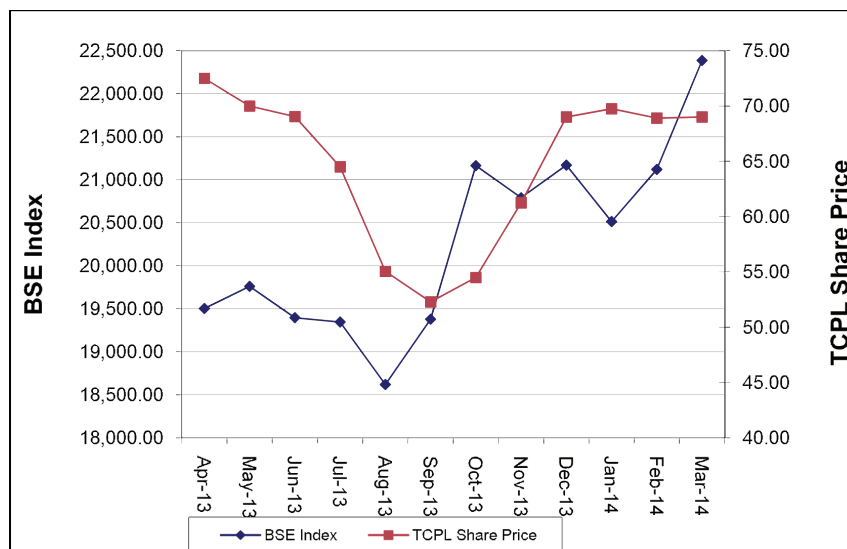
Stock Exchange, Ahmedabad - 61990

(b) Demat ISIN number in NSDL & CDSL Equity Shares INE822C01015

### (F) Market Price Data:

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

Month	Highest			Lowest	
	Year	Rate (₹)	Date	Rate (₹)	Date
April	2013	76.70	08.04.2013	65.00	11.04.2013
May	2013	75.00	30.05.2013	68.00	22.05.2013
June	2013	74.80	03.06.2013	66.25	14.06.2013
July	2013	73.90	12.07.2013	59.00	31.07.2013
August	2013	67.70	01.08.2013	53.25	16.08.2013
September	2013	57.95	10.09.2013	51.65	23.09.2013
October	2013	56.70	10.10.2013	51.70	10.10.2013
November	2013	69.00	27.11.2013	54.50	01.11.2013
December	2013	69.00	31.12.2013	61.30	01.12.2013
January	2014	73.50	23.01.2014	66.25	20.01.2014
February	2014	72.45	13.02.2014	65.00	06.02.2014
March	2014	73.00	14.03.2014	65.00	19.03.2014



### G) Share Transfer Agents

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (W),  
Mumbai 400078.  
Tel: +91 22-25963838 Fax: +91 22-25946969  
Email :mumbai@linkintime.co.in

### H) Share Transfer System

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

### I) Distribution of Shareholding as on 31st March 2014

The shareholding distribution of Equity Shares as on 31st March 2014:

Shares Holding Range(s)		Holding		Equity Shares Held	
From	To	Number	Percentage	Number	Percentage
Up to	500	4819	90.82	709841	8.16
501	1000	226	4.26	176006	2.02
1001	2000	130	2.45	194065	2.23
2001	3000	38	0.72	98828	1.14
3001	4000	16	0.30	55042	0.63
4001	5000	15	0.28	68561	0.79
5001	10000	23	0.43	160080	1.84
10001	& above	39	0.73	7237577	83.19
<b>Total</b>		<b>5306</b>	<b>100.00</b>	<b>8700000</b>	<b>100.00</b>

### J) Shareholding Pattern as on 31st March 2014

	Folios	Percentage	Equity Shares	
			Number	Percentage
Promoters	14	0.26	4997624	57.44
Non-Resident Individuals	26	0.49	101328	1.17
Bodies Corporate	86	1.62	1161488	13.35
Mutual Funds	3	0.06	3600	0.04
HUF	22	0.41	15427	0.18
Clearing & Market Maker	15	0.28	6785	0.07
Others	5140	96.87	2413748	27.75
<b>Total</b>	<b>5306</b>	<b>100.00</b>	<b>8700000</b>	<b>100.00</b>

### K) Dematerialization of Shares:

94.09% (8185867 shares) of total equity shares of 87,00,000 are held in dematerialized form with NSDL & CDSL as on 31.03.2014

## L) Plant Locations

- i. Plot No. 2D, 3A, 3B, 12, 13C, 13D, 17, 18, 21A, 22, 118 & 119 Government Industrial Estate, Masat, Silvassa, Union Territory of Dadra & Nagar Haveli 396230.
- ii. Plot No. 1 & 2, Sector 6A and Plot.No. 51 & 52, Sector 02, Integrated Industrial Estate, BHEL, Haridwar 249403.
- iii. Shed No. 1, 2 & 3 Plot No 124 to 127A, Kundaim Industrial Estate, Kundaim, Goa – 403115.
- iv. Plot No. 19, Industrial Growth Centre, Chayagoan, Village Chatabari, Dist. Kamrup Rural, Assam 781123.

## M) Investor Correspondence :

### TCPL Packaging Ltd.

Shiv Smriti Chambers  
49, Dr. Annie Besant Road  
Worli, Mumbai 400018  
Phone: +9122 66606006  
Fax: +9122 24935893  
Email: info@tcpl.in

### Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W) Mumbai 400078  
Phone: +9122 25963838  
Fax : +9122 25946969  
Email : mumbai@linkintime.co.in

## N) Non-Mandatory Requirements

### 1. Expenses pertaining to the office of the Chairman of the Board

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

### 2. Remuneration Committee

The Company has a Remuneration Committee in place.

### 3. Audit qualification

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

### 4. Shareholders' rights

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

### 5. Training of Board Members

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

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

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

### 7. Whistle Blower Policy

The Company has an effective Whistle Blower Policy.

## 11. CEO/CFO Certification

The Company is getting certification of the Board from the CEO/CFO in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the CEO/CFO in respect of the Financial Year ended 31.3.2014 has been placed at the Meeting of Board of Directors held on 30.05.2014.

## **INDEPENDENT AUDITORS' REPORT ON CORPORATE GOVERNANCE**

To the Members of TCPL Packaging Limited

We have examined the compliance of the conditions of Corporate Governance by **TCPL PACKAGING LIMITED** ("the Company"), for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **For SHAH GUPTA & CO**

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi, Partner

M. No.37606

Place: Mumbai

Date : 30th May, 2014

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

During the year 2013-14, the Company's sales have increased from ₹388.78 Crores to ₹412.43 Crores showing a growth of 6.08%. The factories at Silvassa, Haridwar and Goa have converted 43360 M.T. of board as compared to 41773 M.T. in the previous year. The export turnover of the Company stood at ₹64.38 crores as against ₹85.69 crores of last year. The Company has exported a variety of packing materials to its customers based in UAE and Europe countries.

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

### Industry Structure and Developments

The year 2013-14 witnessed sluggish growth in FMCG industry. However with the new government at the centre it is expected that the country returns to the high growth rates seen in the past. We thus anticipate higher rates of industry growth in the future, which will be favourable to the prospects for our business.

Therefore, with the change in economic condition, lifestyle of people and launch of organised retail etc. the demand for packaged goods are expected to rise substantially.

### Financial performance

During the year the performance of the Company has marginally increased compared to the previous year. While the turnover has increased by 6.08%, the EBITDA has also gone up to ₹61.91 crores as against ₹55.80 crores during the previous year 2012-13 represents an increase of 10.97%. The Cash profit of the Company has also gone up to ₹43.52 crores in the current year as against ₹40.70 Crores in the last financial year.

### Dividend Policy

TCPL is a regular dividend paying company for the past many years. For the year ended 31st March, 2014, your Directors have recommended a dividend of ₹2.50 per share amounting to ₹254.46 lacs including taxes thereon. This amounts to 20% of the net profit for the year. As you may recall, your Company has announced previously a policy of payout of 20% of net profits by way of Dividend.

### Opportunities

The continuous growth in the economy has created a number of opportunities for your Company for servicing the packaging requirements of the FMCG, food, tobacco, liquor and other consumer product manufacturers. Due to geographical locations of the plants set-up by your Company, it is ideally suited for catering to both the export market as well as domestic market across India.

### Threats

There continues to be increase in capacity of packaging manufacturers resulting in over supply coupled with inflation led increases in costs of not only raw materials but also operating expenses. This is a big threat from operating margin perspective. Your Company, however mitigates this by continuous increase in productivity and catering to value added products.

Further, the company does significant quantity of its business with cigarette industry which is under constant threat due to increase in taxes levied by both Central & State Governments which impact the overall volume.

### Risk Management

The Company being a manufacturer of the packaging material is always exposed to the general risks such as government regulations and policies, statutory compliances, economy related, market related. The Company from time to time identifies the risk and has put in its place appropriate measures for mitigating such risks.

### Internal Control System

The Company has adequate internal control system and a well defined organisational structure and internal rules and regulations for conducting the business transactions. The Management reviews actual performance with reference to budgets periodically. The Company has a qualified Audit Committee, independent Statutory Auditors and also Internal Auditors who submit their reports as per the rules and regulations and the reports are reviewed periodically.

### Industrial Relations

The Industrial relations continue to remain cordial during the year and total 1140 employees are on the Company's payroll as on 31st March, 2014.

## DIRECTORS REPORT

To the Members,

Your Directors have pleasure in submitting the Twenty-Sixth Annual Report with the audited accounts of the Company for the year ended 31st March, 2014.

Financial results

Particulars	(₹ in lacs)	
	Year 2013-14	Year 2012-13
Gross Sales / Income from operations	41243.57	38877.69
EBIDTA	6191.97	5579.72
From which have been deducted :		
Losses on account of Exchange rate difference	73.95	14.30
Interest / Finance charges	1765.60	1495.68
Leaving a Cash Profit of	4352.42	4069.74
From which have been deducted :		
Depreciation	2379.29	2035.27
Provision for Tax	525.00	605.10
Provision for Deferred Taxation	197.77	78.74
Leaving a balance of	1250.36	1350.63
To which have been added :		
Balance brought forward from previous year	290.02	209.11
Making a total of	1540.38	1559.74
Which has been appropriated by the Directors as under		
General Reserve	1000.00	1000.00
Proposed Dividend	217.50	230.55
Corporate tax on dividend	36.96	39.18
Balance to be carried forward	285.92	290.02
<b>Total</b>	<b>1540.38</b>	<b>1559.74</b>

### Dividend:

Your Directors are pleased to recommending dividend of ₹2.50 per Equity Share amounting to ₹254.46 lakhs including tax thereon.

## WORKING REVIEW AND PERFORMANCE

### Working Review:

During the year 2013-14, the gross turnover of your Company has increased to ₹412.43 crores from ₹388.78 crores for the previous year ended 31st March 2013 representing a growth of 6.08%. Your Company has converted 43360 MT of paperboard as against 41773 MT in the previous year.

As usual, your Company continues to do significant share of its business by the conversion route. However, had all the products been sold on sales basis, the turnover would have been ₹447.29 crores as against ₹420.83 crores in the previous year, representing a growth of 6.29%.

Your Company's exports for the year ended 31st March, 2014 stood at ₹64.38 crores, as against ₹85.69 crores for the previous year.

During the year under review, your Company has earned an EBIDTA of ₹61.92 crores as compared to ₹ 55.80 crores, an increase of 10.97% over the previous year and amounts to 15.88% of net sales, as against 15.17% in the previous year.

## **Performance:**

### **Silvassa factory:**

During the year under review, the operations of all the three units in Silvassa have been encouraging and all the units have significantly contributed to the growth in sales.

During the year under review, the Company installed a state-of-the-art KBA offset printing machine from Germany at its Offset Printing Unit (OPU) in Silvassa alongwith a host of ancillary equipments which was commissioned in July 2013. The capacity utilisation of the unit has been increasing for the past few months and the unit has also added several new customers to its portfolio.

The performance of the Gravure printing unit (GPU) at Silvassa has also been satisfactory and bulk of the Company's exports is contributed by products manufactured by this unit. This unit was also expanded during the year by integrating the neighbouring plots, and by installation of equipments which enable us to convert value added jobs such as high volume foil stamping and tactile UV applications.

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

### **Haridwar factory:**

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

### **Goa factory:**

During the year under review, your company added a printing machine at this facility by transferring a 6 colour offset printing machine from Silvassa and installed additional new equipment. This factory has become a full-fledged independent unit for manufacture of printed cartons, and will be a key factor in our pursuit of servicing orders from south based customers.

### **Guwahati project:**

During the year under review, your Directors have decided to pursue the opportunity to expand our activities by setting up a Greenfield state-of-art packaging plant in Chayagaon, near Guwahati in the state of Assam. The northeast region of the country has been growing rapidly and Central and State Governments offer several fiscal benefits for units being set up there. In view of this, your Company has decided to set up a plant there to cater to the increasing demand for high quality packaging in that region. The construction of the factory building at the site is going on in full swing and we expect to commence commercial production by the end of the year.

### **Future prospects:**

Your Directors are pleased to state that due to the continuous growth your Company has witnessed, it continues to be India's largest independent manufacturer of folding cartons with a turnover crossing a milestone figure of ₹400 crores at a compound annual growth rate in excess of 16% over the last 5 years.

Further, your Directors are hopeful that, with the swearing in of a very progressive and stable Government at the Centre, the growth of Indian economy will further accelerate which promises to result in high growth in the FMCG sector and this will enable your company to utilise its capacities at higher levels and indeed create more opportunities for growth in the foreseeable future.

### **Responsibility Statement:**

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

- a) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- d) That they have prepared the annual accounts on a going concern basis.

**Deposits:**

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

**Corporate Social Responsibility:**

According to Section 135 of the Companies Act, 2013, Board of Directors in their meeting held on 30th May 2014 have constituted a Corporate Social Responsibility Committee comprising of Mr. Sudhir Merchant, Mr. Saket Kanoria, and Mr. Rishav Kanoria. The company has adopted a Corporate Social Responsibility Policy at board meeting and the same has been posted on the website of the Company.

**Corporate Governance:**

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

**Directors:**

Your Directors regret to inform that Mr. Pradip Kumar Khaitan has resigned as a Director from our Company with effect from 29th May 2014. Recent changes in the Companies Act, has placed restrictions on the total number of companies a person can serve as Director, hence this resignation. Your Directors wish to place on record the invaluable guidance Mr. Khaitan provided during his tenure and would like to record our appreciation for his varied contribution.

Mr. Sajjan Jindal & Mr. S. G. Nanavati, Directors of the Company, retire by rotation and have offered themselves for re-appointment.

**Personnel:**

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

There are no employees who were drawing remuneration as per the limits specified under Rule 1A of the Companies (Particulars of Employees), Rules 1975, and hence, particulars as required under the provisions of Section 217 (2AA) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended are not given.

**Conservation of Energy and Technology Absorptions:**

Your Company has continued to make efforts for conserving and optimizing the use of energy.

**Acknowledgement:**

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

**Auditors:**

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

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

Place: Mumbai  
Date: 30th May, 2014

**Saket Kanoria**  
Managing Director

**S. G. Nanavati**  
Executive Director



## **INDEPENDENT AUDITORS' REPORT**

**To the Members of TCPL Packaging Limited**

### **Report on the financial statements**

We have audited the accompanying financial statements of **TCPL PACKAGING LIMITED** (the company), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

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

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

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

### **Opinion**

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

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

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For SHAH GUPTA & CO**

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi, Partner

M. No.37606

Place: Mumbai

Date : 30th May, 2014

## **ANNEXURE TO THE DRAFT INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses 4 (vi), (xiii) and (xiv) are not applicable to the Company.
- (ii) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) The fixed assets have been physically verified by the management in the phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) The Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
- (iii) (a) The inventories have been physically verified by the management at the regular intervals during the year. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been dealt with in the books of account.
- (iv) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
  - (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, sub-clause (f) and (g) are not applicable.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any continuing major weakness in such internal controls.
- (vi) According to the information and explanations provided by the management, there were no transactions during the year pursuant to the contracts or arrangements referred to in section 301 of the Act. Accordingly, sub-clause (b) is not applicable.
- (vii) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth-Tax, Service Tax, Sales-Tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, the following demands as at 31st March, 2014 have not been deposited since appeals are pending before the relevant Authorities:
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedure and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks and financial institution. The Company has not raised funds from issue of debentures.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xiv) To the best of our knowledge and belief and according to the information explanations given to us, in our opinion, the term loans raised were prima facie used for the purposes for which they were raised.
- (xv) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term investment.
- (xvi) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xvii) The Company did not have any outstanding debentures during the year.
- (xviii) The Company has not raised any money by public issue during the year.
- (xix) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

**For SHAH GUPTA & CO**

Chartered Accountants

Firm Registration No.: 109574W

Vipul K Choksi, Partner

M. No.37606

Place: Mumbai

Date : 30th May, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lacs)

	Note	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	870.00	870.00
Reserves & Surplus	3	7922.65	6926.75
		<b>8792.65</b>	<b>7796.75</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term Borrowings	4	7817.40	6321.36
Deferred Tax Liabilities (Net) [Refer Note 26(9)(b)]		1204.14	1006.37
Other Long Term Liabilities	5	62.86	52.80
Long-term Provisions	6	154.09	175.50
		<b>9238.49</b>	<b>7556.03</b>
<b>CURRENT LIABILITIES</b>			
Short-term Borrowings	7	6192.98	6229.53
Trade Payables	8	3542.66	3605.60
Other Current Liabilities	9	4063.33	3876.90
Short-term Provisions	10	254.46	269.73
		<b>14053.43</b>	<b>13981.77</b>
<b>TOTAL</b>		<b>32084.57</b>	<b>29334.55</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	11		
Tangible Assets		18267.88	16060.97
Intangible Assets		55.62	43.76
Capital Work in Progress		400.48	123.30
Long Term Loans & Advances	12	214.35	494.49
Other Non-current Assets	13	267.75	128.65
		<b>19206.08</b>	<b>16851.17</b>
<b>CURRENT ASSETS</b>			
Inventories	14	4743.71	4490.16
Trade Receivables	15	7387.85	7029.00
Cash & Bank balances	16	89.79	260.12
Short-term Loans & Advances	17	512.31	505.15
Other Current Assets	18	144.83	198.94
		<b>12878.49</b>	<b>12483.37</b>
<b>TOTAL</b>		<b>32084.57</b>	<b>29334.55</b>
Significant Accounting Policies	1		
Notes to Accounts	26		
Notes referred to above form an integral part of the Financial Statements.			

As per our Report of even date attached

For and on behalf of

**Shah Gupta & Co.**

Chartered Accountants

Firm Registration No. 109574W

Vipul K Choksi, Partner

Membership No. 37606

Place : Mumbai

Date : 30th May, 2014

S K Kanoria, Managing Director

K K Kanoria, Whole-time Director

Atul Sud, Director

Vivek Poddar, Chief Financial Officer

For and on behalf of Board of Directors

Sudhir Merchant, Director

Rishav Kanoria, Executive Director

S G Nanavati, Executive Director

Pravin Karambelkar, Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lacs )

	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>INCOME</b>			
Revenue from Operations (Net of Excise)	19	39492.11	37329.07
		<b>39492.11</b>	<b>37329.07</b>
<b>EXPENSES</b>			
Cost of Materials consumed	20	22886.21	21716.92
Changes in inventories of finished goods and work-in-process	21	(216.35)	(45.87)
Employee benefits expense	22	2907.83	2430.04
Finance costs	23	1765.60	1495.68
Depreciation and amortization expense	11	2379.29	2035.27
Other expenses	24	7722.44	7648.25
Loss on account of exchange rate differences	25	73.95	14.30
<b>Total Expenses</b>		<b>37518.98</b>	<b>35294.59</b>
<b>Profit before tax</b>		<b>1973.13</b>	<b>2034.48</b>
<b>Tax Expense:</b>			
Current Tax		525.00	605.10
Deferred Tax [Refer Note 26(9)(b)]		197.77	78.74
<b>Profit for the year</b>		<b>1250.36</b>	<b>1350.64</b>
<b>Earnings per Equity Share of face value of ₹10 each : [Refer Note 26(8)]</b>			
- Basic	₹	14.37	15.52
- Diluted	₹	14.37	15.52
Significant Accounting Policies	1		
Notes to Accounts	26		

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

As per our Report of even date attached

For and on behalf of

**Shah Gupta & Co.**

Chartered Accountants

Firm Registration No. 109574W

Vipul K Choksi, Partner

Membership No. 37606

Place : Mumbai

Date : 30th May, 2014

S K Kanoria, Managing Director

K K Kanoria, Whole-time Director

Atul Sud, Director

Vivek Poddar, Chief Financial Officer

**For and on behalf of Board of Directors**

Sudhir Merchant, Director

Rishav Kanoria, Executive Director

S G Nanavati, Executive Director

Pravin Karambelkar, Company Secretary

## Cash flow statement for the year ended 31st March, 2014

(₹ in lacs)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before Tax and extraordinary items</b>	<b>1973.13</b>	2034.48
<b>Adjustment for :</b>		
Depreciation	<b>2379.29</b>	2035.26
Loss/ (Profit) on sale of Fixed Assests	<b>24.58</b>	(21.05)
Premium / Loss on Forward Contract	<b>8.54</b>	12.58
Unrealised Forex Fluctuations	<b>42.45</b>	78.64
Sundry Balances written off	<b>25.00</b>	76.82
Interest Expenses	<b>1797.94</b>	1645.35
Interest Income	<b>(32.34)</b>	1495.68
Operating profit before Working Capital Changes	<b>6218.61</b>	5712.41
<b>Adjustment for :</b>		
Trade and other receivables	<b>(422.14)</b>	(2417.84)
Inventories	<b>(253.54)</b>	(840.21)
Loans & Advances	<b>374.82</b>	(82.64)
Provisions & Other liabilities	<b>287.85</b>	(63.34)
Trade Payable	<b>(67.11)</b>	754.51
Cash generated from Operations	<b>6138.50</b>	3062.89
Direct Tax paid (net of refund)	<b>(566.50)</b>	(667.77)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>5572.00</b>	2395.12
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets and capital advances	<b>(4386.73)</b>	(3205.65)
Sale of fixed assets	<b>15.80</b>	110.06
Investment in bank deposits	<b>(139.10)</b>	105.22
(having original maturity of more three months)	<b>214.90</b>	(223.44)
Interest Received	<b>32.34</b>	149.67
<b>Net cash Flow from Investing Activities (B)</b>	<b>(4262.80)</b>	(3064.14)

## Cash flow statement for the year ended 31st March, 2014

(₹ in lacs)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from long term borrowings (net)	<b>839.59</b>	290.92
Decrease in short term borrowings	<b>(36.55)</b>	2223.48
Interest paid	<b>(1797.94)</b>	(1645.35)
Dividends paid	<b>(269.73)</b>	(202.23)
<b>Net cash Flow from Financing Activities (C)</b>	<b>(1264.63)</b>	666.83
<b>Net increase in cash and cash equivalents(A+B+C)</b>	<b>44.56</b>	(2.19)
Cash and Cash equivalents - Opening Balance	<b>33.73</b>	35.92
Cash and Cash equivalents - Closing Balance	<b>78.29</b>	33.73

As per our Report of even date attached

For and on behalf of

**Shah Gupta & Co.**

Chartered Accountants

Firm Registration No. 109574W

Vipul K Choksi, Partner

Membership No. 37606

Place : Mumbai

Date : 30th May, 2014

S K Kanoria, Managing Director

K K Kanoria, Whole-time Director

Atul Sud, Director

Vivek Poddar, Chief Financial Officer

**For and on behalf of Board of Directors**

Sudhir Merchant, Director

Rishav Kanoria, Executive Director

S G Nanavati, Executive Director

Pravin Karambelkar, Company Secretary



## STATEMENT OF ACCOUNTING POLICIES

### Note - 1

#### a) Basis of Accounting

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

#### b) Use of estimates

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

#### c) Valuation of Inventories

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

#### d) Cash Flow Statement

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

#### e) Fixed Assets

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

#### f) Impairment of Assets

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

#### g) Depreciation

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

#### h) Revenue Recognition

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

#### i) Foreign Exchange Transactions.

- Import of raw materials/consumable stores are accounted on the basis of CIF value at the rate of exchange prevailing on the date of transactions.

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

#### **j) Government Grants**

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to such grants and the grants will be received.

The Company follows 'Capital Approach' or 'Income Approach' for accounting of such grants depending upon the nature of grant received.

#### **k) Employee Benefits**

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost. Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) is measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

Contributions to Provident Fund, Contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered service entitling them to the contributions. Provision for leave encashment is made on the basis of unutilised leaves of the employees as on balance sheet date. The gratuity benefit obligations recognised in the balance sheet represents the present value of the obligations as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognized in the statement of profit and loss. [Refer Note 26(11)]

#### **l) Borrowing Costs**

- Borrowing costs directly attributable to the acquisition and construction of qualifying assets are capitalised as a part of the cost of respective asset up to the dates such asset is ready for intended use. Other borrowing costs are charged as an expense in the period in which they are incurred.
- Interest income earned from deposits is reduced from Interest and Finance charges. [Refer Note 23]

#### **m) Earnings Per Share**

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares. [Refer Note 26(8)]

#### **n) Taxes on Income**

- Current Tax is determined as the amount of tax payable in the respect of taxable income for the year in accordance with the Income Tax Act.  
The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability.  
Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations as at the balance sheet date.  
Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient taxable income will be available in future, against which the deferred tax assets can be realized; however where there is unabsorbed depreciation and carried forward losses, deferred tax assets is created only if there is virtual certainty of realisation of assets
- Tax credit is recognized in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

#### **o) Provisions and Contingent Liabilities**

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

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs )

### NOTE : 2 SHARE CAPITAL

#### AUTHORISED

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

**1000.00**

**1000.00**

#### ISSUED, SUBSCRIBED & FULLY PAID-UP

87,00,000 (Previous year 87,00,000) Equity Shares of ₹10/- each

**870.00**

**870.00**

#### Reconciliation of Equity shares outstanding at the beginning and at the end of the year

	As at 31st March, 2014		As at 31st March, 2013	
	No		No	
Equity shares outstanding at the beginning of the year	<b>8700000</b>	<b>870.00</b>	8700000	870.00
At the end of the year	<b>8700000</b>	<b>870.00</b>	8700000	870.00

#### Terms attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

#### Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2014		As at 31st March, 2013	
	No	% holding	No	% holding
Accuraform Private Ltd.	<b>1745173</b>	<b>20.06</b>	1404873	16.15
Narmada Fintrade Pvt. Ltd.	<b>910911</b>	<b>10.47</b>	1089831	12.53
Powersurfer Interactive (India) Pvt. Ltd.	<b>900000</b>	<b>10.34</b>	900000	10.34
Anil Kumar Goel	<b>537490</b>	<b>6.18</b>	301724	3.47
AMVD Holding Pvt. Ltd.	<b>510000</b>	<b>5.86</b>	510000	5.86
Sampantha Investments Pvt. Ltd.	<b>455000</b>	<b>5.23</b>	455000	5.23
<b>Total</b>	<b>5058574</b>	<b>58.14</b>	4661428	53.58

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

### NOTE : 3

#### RESERVES & SURPLUS

##### CAPITAL RESERVE

	As at 31st March, 2014	As at 31st March, 2013
Balance as at the beginning of the year	113.57	44.82
Add: On forfeiture of warrants (PY 550000 warrants)	-	68.75
Closing balance as at the end of the year	113.57	113.57

##### SECURITIES PREMIUM ACCOUNT

	As at 31st March, 2014	As at 31st March, 2013
Balance as at the beginning of the year	2057.90	2057.90
Closing balance as at the end of the year	2057.90	2057.90

##### GENERAL RESERVE

	As at 31st March, 2014	As at 31st March, 2013
Balance as at the beginning of the year	4465.26	3465.26
Add : Transferred during the year	1000.00	1000.00
Closing balance as at the end of the year	5465.26	4465.26

##### SURPLUS IN STATEMENT OF PROFIT AND LOSS

	As at 31st March, 2014	As at 31st March, 2013
Balance as at the beginning of the year	290.02	209.11
Add : Profit for the year	1250.36	1350.64
Less : Appropriations		
Proposed dividend	217.50	230.55
[Dividend per share ₹2.50 (Previous year ₹2.65)]		
Tax on proposed dividend	36.96	39.18
Transfer to General Reserve	1000.00	1000.00
Net surplus in Statement of Profit and loss	285.92	290.02
<b>Total</b>	<b>7922.65</b>	<b>6926.75</b>

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

### NOTE : 4

#### LONG-TERM BORROWINGS

##### Term loans

##### Secured

##### - From banks

In Rupee currency

4484.29

3376.17

1551.49

1662.15

In Foreign currency

3215.61

2610.36

465.66

817.05

##### - From Others

In Rupee currency

117.50

134.83

395.48

275.01

7817.40

6121.36

2412.63

2754.21

##### Unsecured

##### - From Others

-

200.00

200.00

-

##### - From Related party

-

-

4.00

-

-

200.00

204.00

-

Total

7817.40

6321.36

2616.63

2754.21

- [1] The loans from banks are secured by First pari passu charge on movable and immovable assets of the Company situated at Haridwar, Silvassa & Goa both present & future and Second pari passu charge by way of hypothecation of the Company's entire stock and other movables including book debts, bills, outstanding monies, receivables both present and future.

The loans from others are secured by hypothecation of specific machinery / assets for which loan are availed.

- [2] Rupee Term Loan from banks carries interest in the range of 13% to 13.50% p.a. and Foreign Currency Loans from banks carries interest at LIBOR + ranging from 100 to 200 basis points. The loans are repayable in monthly / quarterly instalments. Rupee loans from others carries interest in the range of 13% to 15% p.a. and are repayable in monthly instalments.

- [3] Unsecured loan is taken from a body corporate carrying interest @ 16% p.a. and is repayable in May 2014 and that from Related party carries interest @ 12% p.a.

- [4] Maturity profile of secured term loans are set out below:

(₹ in lacs)

	Repayable in 2014-15	Repayable in 2015-16	Repayable in 2016-17	After 1-4-2017
From Banks:				
Rupee Term Loan	1551.49	2590.48	2506.67	2039.22
Foreign Currency Term Loan	465.66	530.22	33.31	-
From Other parties:				
Rupee Term Loan	599.48	117.50	-	-
Total	2616.63	3238.20	2539.98	2039.22

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

	Non Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>NOTE : 5</b>				
<b>OTHER LONG TERM LIABILITIES</b>				
Security deposits	51.86	41.80	9.12	15.27
Others	11.00	11.00	-	-
<b>Total</b>	<b>62.86</b>	<b>52.80</b>	<b>9.12</b>	<b>15.27</b>
<b>NOTE : 6</b>				
<b>LONG TERM PROVISIONS</b>				
Provision for Employee Benefits	154.09	175.50	429.38	335.01
<b>Total</b>	<b>154.09</b>	<b>175.50</b>	<b>429.38</b>	<b>335.01</b>
<b>NOTE : 7</b>				
<b>SHORT TERM BORROWINGS</b>				
Secured				
Working Capital loan from Banks			5390.59	5436.04
Acceptances			802.39	793.49
<b>Total</b>			<b>6192.98</b>	<b>6229.53</b>
Working Capital Loans and Acceptances are secured by pari passu charge by way of hypothecation of raw materials, semi-finished goods, finished goods, tools & spares, packing material, book debts and assignment of actionable claims. The loan is repayable on demand and carries interest in the range of 13% to 13.50% p.a.				
<b>NOTE : 8</b>				
Trade Payable			3520.44	3597.82
Outstanding due to Micro, Small and Medium Enterprises [Refer Note 26(5)]			22.22	7.78
<b>Total</b>			<b>3542.66</b>	<b>3605.60</b>

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

### NOTE : 9

#### OTHER CURRENT LIABILITIES

Current maturities of Long-term borrowings [Refer Note 4]

Secured	<b>2412.63</b>	2754.21
---------	----------------	---------

Unsecured	<b>204.00</b>	-
-----------	---------------	---

Current maturities of Long-term Employee benefits [Refer Note 6]	<b>429.38</b>	335.01
--	---------------	--------

Interest accrued but not due on borrowings	<b>50.30</b>	44.80
--	--------------	-------

Interest accrued and due on borrowings	<b>36.42</b>	19.02
--	--------------	-------

Unclaimed Dividends *	<b>25.89</b>	21.75
-----------------------	--------------	-------

Advances from Customers	<b>149.48</b>	190.80
-------------------------	---------------	--------

Security Deposits [Refer Note 5]	<b>9.12</b>	15.27
----------------------------------	-------------	-------

Creditors for Capital Expenditure	<b>98.60</b>	79.95
-----------------------------------	--------------	-------

Statutory Liabilities	<b>122.56</b>	116.34
-----------------------	---------------	--------

Other liabilities	<b>524.95</b>	299.76
-------------------	---------------	--------

<b>Total</b>	<b>4063.33</b>	3876.90
--------------	----------------	---------

\* Investor Education and Protection Fund will be credited as and when due

### NOTE : 10

#### SHORT TERM PROVISIONS

Provision for Proposed dividend	<b>217.50</b>	230.55
---------------------------------	---------------	--------

Provision for Corporate dividend tax	<b>36.96</b>	39.18
--------------------------------------	--------------	-------

<b>Total</b>	<b>254.46</b>	269.73
--------------	---------------	--------

# **Note 11**

## **Fixed Assets**

(₹ in lacs)

Particulars	Gross Block (at cost)			Depreciation / Amortisation				Net Block	
	As at 1st April 2013	Additions	Deductions	As at 31st March 2014	For the year	Deductions	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
<b>Tangibles</b>									
Leasehold Land	758.32	10.83	0.00	769.14	10.01	0.00	39.59	729.55	728.73
Buildings	4316.78	503.28	0.00	4820.06	155.20	0.00	816.36	4003.70	3655.63
Plant & Machinery	21611.27	3969.44	60.96	25519.76	2087.68	45.05	12762.73	12757.03	10891.17
Furniture & Fixture	375.15	13.04	1.42	386.76	28.70	1.14	159.93	226.84	242.78
Office Equipment	58.50	4.38	0.40	62.49	5.32	0.18	26.97	35.51	36.67
Vehicles	669.51	100.90	68.18	702.23	67.68	44.21	186.99	515.24	505.99
<b>Total</b>	<b>27789.53</b>	<b>4601.87</b>	<b>130.96</b>	<b>32260.44</b>	<b>2354.59</b>	<b>90.58</b>	<b>13992.54</b>	<b>18267.87</b>	<b>16060.97</b>
Previous Year	24669.75	3613.71	493.93	27789.53	2016.79	410.24	11728.56	16060.97	14547.74
<b>Intangibles</b>									
Software	127.28	36.57	4.68	159.17	24.70	4.68	103.55	55.62	43.76
<b>Total</b>	<b>127.28</b>	<b>36.57</b>	<b>4.68</b>	<b>159.17</b>	<b>24.70</b>	<b>4.68</b>	<b>103.55</b>	<b>55.62</b>	<b>43.76</b>
Previous Year	120.11	7.18	0.00	127.29	18.47	0.00	83.53	43.76	43.76
<b>Total</b>	<b>27916.81</b>	<b>4638.44</b>	<b>135.64</b>	<b>32419.61</b>	<b>2379.29</b>	<b>95.26</b>	<b>14096.09</b>	<b>18323.49</b>	<b>16104.73</b>
Previous Year	24789.85	3620.88	493.93	27916.81	2035.26	410.24	11812.09	16104.73	-
<b>Capital Work in Progress</b>								<b>400.48</b>	<b>123.30</b>

- 1 Borrowing cost adjusted in the carrying cost of fixed assets during the year is NIL (Previous year ₹52.29 lacs)
- 2 Foreign exchange loss (net) capitalised ₹710.92 (Previous year ₹ 91.60 lacs) [Refer Note -26(4)]
- 3 Pre-Operative expenses capitalised during the year ₹ NIL (Previous year ₹17.11 lacs)



## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

### NOTE : 12

#### LONG TERM LOAN AND ADVANCES

(Unsecured, considered good)

	As at 31st March, 2014	As at 31st March, 2013
Capital Advances	-	332.51
Security Deposits	125.13	86.67
Loans and Advances to related party [Refer Note 26(7)]	-	18.80

#### Other Loans and Advances

Advance Tax and Tax deducted at source (net)	51.95	4.20
Prepaid expenses	-	20.96
Unamortised Premium on forward contract	24.25	17.61
Others	13.02	13.74
<b>Total</b>	<b>214.35</b>	<b>494.49</b>

### NOTE : 13

#### OTHER NON-CURRENT ASSETS

In Fixed Deposit Account with maturity more than twelve months [Refer Note 16]	267.75	128.65
<b>Total</b>	<b>267.75</b>	<b>128.65</b>

### NOTE : 14

#### INVENTORIES (Valued at lower of cost or net realisable value)

Raw Materials	2302.93	2419.73
Add: Raw Materials in transit	363.73	418.09
Work-in-process	848.26	572.60
Finished goods	347.57	406.89
Stores and spares	865.14	671.23
Add: Stores & Spares in transit	16.09	1.62
<b>Total</b>	<b>4743.71</b>	<b>4490.16</b>

### NOTE : 15

#### TRADE RECEIVABLES

Unsecured, considered good	94.97	53.48
Outstanding for a period exceeding six months	7292.88	6975.52
Other debts	7387.85	7029.00
<b>Total</b>	<b>7387.85</b>	<b>7029.00</b>

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

### NOTE : 16

#### CASH AND BANK BALANCES

Cash and cash equivalents:

Balances with banks

In Current Account

On Unpaid Dividend account

Cash on hand

Other bank balances:

In Fixed Deposit Account

Less: Fixed deposit with original maturity of more than twelve months

[Refer Note 13]

Margin money deposit

	As at 31st March, 2014	As at 31st March, 2013
	43.75	4.10
	25.89	21.75
	8.65	7.88
	78.29	33.73
	277.33	352.24
	(267.75)	(128.65)
	9.58	223.59
	1.92	2.81
<b>Total</b>	<b>89.79</b>	<b>260.12</b>

### NOTE : 17

#### SHORT-TERM LOAN AND ADVANCES

Unsecured, considered good

Advances recoverable in cash or in kind for value to be received

Advance to suppliers

Loans to employees

Prepaid expenses

Unamortised Expenditure:

Unamortised premium on Forward Contract

Ancillary cost of arranging borrowing

Security deposits

Cenvat credit receivable

Balances with Sales Tax Authorities

	7.11	8.53
	164.77	101.26
	20.10	21.07
	82.92	71.55
	29.42	9.88
	-	5.52
	2.35	1.75
	186.36	248.24
	19.28	37.36
<b>Total</b>	<b>512.31</b>	<b>505.15</b>

### NOTE: 18

#### OTHER CURRENT ASSETS

Interest Receivable

Export Benefit Receivable

	1.21	1.21
	143.62	197.73
<b>Total</b>	<b>144.83</b>	<b>198.94</b>

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

PARTICULARS	Year ended 31st March 2014		Year ended 31st March, 2013	
<b>Note 19</b>				
<b>REVENUE FROM OPERATIONS</b>				
Sale of Products	37117.30		35146.17	
Conversion charges	4126.27		3731.52	
Less : Excise duty	(2239.62)		(2114.15)	
		39003.95		36763.53
Other Operating Revenues				
Scrap Sales (net of Excise duty ₹18.30 lacs, previous year ₹10.48 lacs)		265.50		261.08
Export Benefits		217.22		303.68
Miscellaneous Income		5.44		0.78
<b>Total</b>		<b>39492.11</b>		<b>37329.07</b>
<b>Note 20</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Raw material consumed				
Opening Stock	2837.83		2215.22	
Add : Purchases during the year	22715.04		22339.53	
	25552.87		24554.75	
Less : Closing Stock	(2666.66)		(2837.83)	
<b>Total</b>		<b>22886.21</b>		<b>21716.92</b>
Imported	1333.09	5.82%	1545.22	7.12%
Indigenous	21553.12	94.18%	20171.70	92.88%
	22886.21	100.00%	21716.92	100.00%
Details of Raw Materials consumed				
Board		15264.05		15098.83
Inks		4265.23		4106.89
Others		3356.93		2511.20
<b>Total</b>		<b>22886.21</b>		<b>21716.92</b>
<b>Note 21</b>				
<b>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROCESS</b>				
Decrease/(Increase) in stock				
Opening stock - Work In Process	572.60		722.51	
Closing stock - Work In Process	848.26	(275.66)	572.60	149.91
Opening stock of Finished goods	406.89		211.11	
Closing stock of Finished goods	347.57	59.32	406.89	(195.78)
<b>Total</b>		<b>(216.35)</b>		<b>(45.87)</b>

## Notes to Financial Statements for the year ended 31st March, 2014

(₹ in lacs)

PARTICULARS	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Note 22</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	2608.78	2183.12
Contribution to provident and other funds	164.72	134.11
Staff welfare expenses	134.33	112.81
<b>Total</b>	<b>2907.83</b>	<b>2430.04</b>
<b>Note 23</b>		
<b>FINANCE COSTS</b>		
Interest on term loans & working capital	1642.44	1503.03
Other borrowing costs	155.50	142.32
Less : Interest earned [Refer Note.1(l)]	(32.34)	(149.67)
<b>Total</b>	<b>1765.60</b>	<b>1495.68</b>
<b>Note 24</b>		
<b>OTHER EXPENSES</b>		
Consumption of stores and spare parts	3103.68	3506.39
Power and fuel	842.37	784.08
Carriage inward	1011.33	913.81
Glueing & Other labour charges	708.41	729.60
Rent	210.97	140.40
Repairs and Maintenance		
Repairs to Buildings	73.26	14.79
Repairs to machinery	164.62	94.49
Repairs to others	62.75	31.80
Insurance	130.30	86.15
Rates and Taxes	26.11	29.31
Travelling & Conveyance	394.92	372.53
Loss/(Gain) on sale of Fixed Assets	24.58	(21.05)
Carriage outward	319.14	334.87
Payment to Auditors		
Audit fees	6.75	6.00
Tax Audit fees	2.00	1.75
Limited Review fees	0.75	0.75
Certification & other matters	1.25	0.86
Miscellaneous expenses	639.23	621.72
<b>Total</b>	<b>7722.44</b>	<b>7648.25</b>
<b>Note 25</b>		
<b>Loss / (Gain) on account of exchange rate differences</b>		
Premium on forward exchange contract	27.78	12.58
Loss on forward exchange contract	-	29.79
Net (gain)/loss on foreign currency transactions and translation	46.16	(28.07)
<b>Total</b>	<b>73.95</b>	<b>14.30</b>

## Note - 26

### NOTES ON ACCOUNTS

#### (1) Contingent Liabilities

- a) Counter Guarantees given to the banks in respect of:
    - i) Bank Guarantee of ₹66.71lacs given to the Electricity Departments / Various Government Authorities (Previous year ₹71.71 lacs)
    - ii) The Bonds given to Customs and Excise Authorities – ₹8260.53lacs towards export obligation fulfillment of Rs 21830.74lacs (since fulfilled ₹19046.37) for licences issued under Export Promotion Capital Goods Scheme (Previous Years ₹6638.74 lacs) and for other matters ₹1757.18 (Previous Year ₹1612.58 lacs)
  - b) Disputed demands of ₹410.35lacs in respect of various orders passed by Central Excise / Income Tax authorities (Previous year ₹116.66 lacs) for which appeals are made.
- (2) Estimates amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1155.78 lacs (Previous year ₹2090.72 lacs)
- (3) In the opinion of the Board, Current Assets, Loans and Advances (including Capital Advances) have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.
- The accounts of certain Sundry Debtors, Sundry Creditors, Advances and Lenders are subject to confirmation / reconciliation and adjustments, if any, the management does not expect any material difference affecting the current year's financial statements.
- (4) The Central Government vide notification dated 31st March, 2009 has amended Accounting Standard 11 "The Effects, changes in Foreign Exchange Rates". In view of this, Effect on account of exchange differences loss of ₹710.92 lacs (net) (Previous year ₹91.60 lacs) has been adjusted in the cost of Assets relating to various outstanding Foreign Currency Loans.

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

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

(₹ in lacs)

Particulars	2014	2013
(a) Principal amount due to suppliers under the Act	22.22	7.78
(b) Interest accrued and due to suppliers under the Act, on the above amount	1.46	-
(c) Payment made to suppliers (other than interest) beyond the appointed day,during the year	-	-
(d) Interest paid to suppliers under the Act (other than section 16)	-	-
(e) Interest paid to suppliers under the act, (section 16)	-	-
(f) Interest due and payable to suppliers under the Act, for payments already made	1.46	-
(g) Interest accrued and remaining unpaid at the end of the year to suppliers under Act	1.46	-

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

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

#### List of Related Parties :

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

Accura Reprotech Pvt Ltd  
Narmada Fintrade Pvt Ltd  
Flixit Animations Pvt Ltd

##### 2) Key Management Personnel

- (a) Mr. Saket Kanoria, Managing Director
- (b) Mr. K. K. Kanoria, Whole-time Director
- (c) Mr. Rishav Kanoria, Executive Director

(₹ in lacs)

## Transactions with related parties

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

Accura ReproTech Pvt Ltd

Advance given

Services availed

Balance receivable

01.04.13 to 31.03.14	01.04.12 to 31.03.13
-------------------------	-------------------------

Nil	18.80
168.23	203.05
22.40	44.59

### B) Key Management Personnel :

Nature of Transactions

Expenses:

Remuneration

Loan Taken by Company

Loan Repaid by Company

Interest paid

31.03.14 Referred in 2(a)&(b) above	31.03.13 Referred in 2(a)&(b) above
181.20	140.30
25.50	Nil
21.50	Nil
0.76	Nil

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

### (8) Calculation of Basic & Diluted Earnings Per Share :

Basic & Diluted:

Numerator: Profit after tax (₹ in lacs)

Denominator: Weighted Average number of equity shares outstanding during the year

Earnings per share in rupees - Basic & Diluted (₹)

Nominal value of equity share (₹)

31.03.14	31.03.13
1250.36	1350.64
8700000	8700000
14.37	15.52
10.00	10.00

**Note:** Under the loan agreements, some of the lenders have at their option, a right to convert certain percentage of outstanding amount into fully paid equity shares, in the event of default by the Company in payment of principal and / or interest. As the Company is not in default of any payment obligations to such lenders as on 31st March, 2014, the same are not considered as potential equity shares for the purpose of calculating diluted earnings per share.

### (9) (a) Current Year Tax Includes

Current Tax

Less: MAT Credit Entitlement

**Total**

31.03.2014	31.03.2013
525.00	625.00
-	19.90
525.00	605.10

(b) the year ended 31st March, 2014, the Company has accounted for Deferred Tax Liability of ₹197.77 lacs (Previous Year ₹78.74 lacs).

Net Deferred Tax Liability included in the Balance Sheet comprises of the following:

### Deferred Tax Liability

Depreciation

### Deferred Tax Assets

Expenses covered u/s 43 B

Net Deferred Tax Liability

31.03.14	31.03.13
1318.70	1110.43
114.56	104.07
1204.14	1006.37

# (10) Disclosure regarding Derivative Instruments

- a) The Company has used foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitment and highly probable forecast transactions.

Details of outstanding Forward Exchange Contracts entered into by the Company:

(₹ in lacs)

As at	Nature of Contract	Currency Equivalent	Amount in Currency	INR equivalent
31/03/14	Conversion of CHF liability	US\$	23.15	1259.87
	Conversion of Euro liability	US\$	18.67	1327.00
31/03/13	Conversion of CHF liability	US\$	23.15	1256.70
	Conversion of Euro liability	CHF	18.70	1308.20

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

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

	Amount in Foreign Currency (in lacs) 31.03.14	Current Year INR equivalent (₹ in lacs) 31.03.14	Amount in Foreign Currency (in lacs) 31.03.13	Previous Year INR equivalent (₹ in lacs) 31.03.13
Trade Receivables	US \$ 23.08	1383.04	US \$ 26.61	1444.15
	Euro € 1.06	87.97	Euro € 0.42	29.32
	Pound Sterling £ 0.106	10.60	Pound Sterling £	-
	<b>Total</b>	<b>1458.64</b>		<b>1473.47</b>

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

	Amount in Foreign Currency (in lacs) 31.03.14	Current Year INR equivalent (₹ in lacs) 31.03.14	Amount in Foreign Currency (in lacs) 31.03.13	Previous Year INR equivalent (₹ in lacs) 31.03.13
Trade Payable	US\$ 0.08	5.08	US\$ 0.95	51.79
	Euro € 1.09	90.14	Euro € 1.65	114.90
	Pound Sterling £ 0.00145	0.14	Pound Sterling £ 0.14	11.83
	CHF 0.25	17.10	CHF 0.05	2.69
	<b>Total</b>	<b>112.46</b>		<b>181.21</b>

	Amount in Foreign Currency (in lacs) 31.03.14	Exchange Rate	Current Year INR equivalent (₹ in lacs) 31.03.14	Amount in Foreign Currency (in lacs) 31.03.13	Exchange Rate	Previous Year INR equivalent (₹ in lacs) 31.03.13
Foreign Currency Loan Payable	US \$ 15.87	59.91	183.56	US\$ 6.89	54.26	374.40
	Euro € 3.06	82.68	1312.48	Euro € 22.21	69.55	1544.66
	CHF 32.22	67.827	2185.52	CHF 26.30	57.35	1505.34
	<b>Total</b>		<b>3681.56</b>			<b>3424.40</b>

## (11) Employment benefits:

### a) Defined Contribution Plan:

Company's contribution to Provident Fund ₹146.06lacs (Previous Year ₹119.13 lacs)

### b) Defined Benefit Plan:

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

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

(₹ in lacs)

		Gratuity Funded				
		31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
i)	Liability recognized in the Balance Sheet					
	Present value of obligation at beginning of the year	243.59	200.92	149.05	114.22	93.31
	Interest cost	19.49	17.68	12.37	9.14	7.46
	Current service cost	32.71	31.73	23.36	20.67	17.64
	Past Service Cost	-	-	-	-	-
	Benefits paid	(8.80)	(4.77)	(7.20)	(4.32)	(4.33)
	Actuarial (gains) / losses on obligation	(14.97)	(1.97)	(0.17)	9.34	0.14
	Present value of obligation at the end of year	272.02	243.59	200.92	149.05	114.22
	Less:					
	Fair value of plan assets as at 1st April, 2014	149.55	108.64	70.89	33.82	15.91
	Expected return	13.87	9.88	7.29	4.17	1.95
	Contributions by employer	31.52	34.05	37.11	36.89	20.29
	Actuarial gains / (losses)	0.60	1.75	0.55	0.33	(0.14)
	Benefits paid	(8.80)	(4.77)	(7.20)	(4.32)	(4.33)
	Amount recognized in Balance Sheet	85.28	94.04	92.28	78.16	80.40
ii)	Expenses during the year					
	Current service cost	32.71	31.73	23.36	20.67	17.65
	Interest cost on benefit obligation	19.49	17.68	12.37	9.14	7.46
	Past Service Cost	-	-	23.51	-	-
	Expected return on plan assets	(13.87)	(9.88)	(7.29)	(4.17)	(1.95)
	Net actuarial (gain) / loss recognized in the year	(15.57)	(3.72)	(0.72)	9.01	0.14
	Total:	22.76	35.81	51.23	4.65	23.30
iii)	Actual return on plan assets	14.47	11.63	7.85	4.50	1.95
iv)	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows					
	Investments with insurer	100%	100%	100%	100%	100%
v)	Principal actuarial assumptions					
	Discount rate	9.10%	8.00%	8.80%	8.30%	7.50%
	Expected rate of return on Plan assets	8.50%	8.50%	8.50%	8.50%	9.00%
	Salary Escalation Rate	6.00%	6.00%	5.00%	5.00%	5.00%

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



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

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

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

#### (12) Additional information

					(₹ in lacs)
					31.03.14
					31.03.13
<b>a)</b>	<u>C.I.F. Value of Imports</u>				
	Capital Goods		<b>2566.26</b>		1303.60
	Raw Materials		<b>1379.26</b>		1303.19
	Consumables		<b>528.97</b>		742.47
<b>b)</b>	<u>Expenditure in Foreign Currency</u>				
	Travelling & Others		<b>320.16</b>		333.36
<b>c)</b>	<u>Earnings in Foreign Exchange</u>	<b>Quantity in lacs</b>	<b>value (₹ in lacs)</b>	<b>Quantity in lacs</b>	<b>value (₹ in lacs)</b>
	Export of Goods on FOB basis:				
	- Sale of Finished goods – Exports	<b>5780.50</b>	<b>6188.71</b>	10970.26	7272.95

#### (13) Operating Lease

As Lessee:

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

Particulars	31.03.2014 (₹ in Lacs)	31.03.2013 (₹ in Lacs)
Office Premises, Factory sheds and Godown, etc.	<b>213.31</b>	135.59

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

#### (14) Previous year's figures have been re-arranged and regrouped wherever considered necessary.

As per our Report of even date attached

For and on behalf of

**Shah Gupta & Co.**

Chartered Accountants

Firm Registration No. 109574W

Vipul K Choksi,

Partner

Membership No. 37606

Place : Mumbai

Date : 30th May, 2014

S K Kanoria, Managing Director

K K Kanoria, Whole-time Director

Atul Sud, Director

Vivek Poddar, Chief Financial Officer

**For and on behalf of Board of Directors**

Sudhir Merchant, Director

Rishav Kanoria, Executive Director

S G Nanavati, Executive Director

Pravin Karambelkar, Company Secretary

# Proxy Form

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



(CIN: L22210MH1987PLC044505)

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

## 26<sup>th</sup> Annual General Meeting on 1<sup>st</sup> August, 2014, Friday, 4.30 p.m.

Name of the member(s)	
Registered address	
E-mail ID	
Folio No / Client ID	
DP ID	

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **26<sup>th</sup> Annual General Meeting** of the company, to be held on the Friday, 1<sup>st</sup> day of August, 2014 at 4.30 p.m. at "Sunville Deluxe" Pavillion, 9, Dr. Annie Besant Road, Worli, Mumbai-400018 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business :		For	Against
1.	Adoption of Financial Statement for the Year Ended 31st March 2014		
2.	To declare a Dividend for the year ended 31st March 2014		
3.	To appoint a Director in place of Mr. Sajjan Jindal (DIN:00017762) who retires by rotation		
4.	To appoint a Director in place of Mr. S. G. Nanavati (DIN:00023526) who retires by rotation		
5.	To appoint auditors and to fix their remuneration		
Special Business :			
6.	Ordinary Resolution for reappointment of Mr. S.G. Nanavati as Executive Director		
7.	Ordinary Resolution ratification of remuneration of Cost Auditors		
8.	Ordinary Resolution for appointment of Mr. Rabindra Jhunjunwala, as an Independent Director.		
9.	Ordinary Resolution for appointment of Ms. Sonal Agrawal, as an Independent Director.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of shareholder

₹ 1

Revenue  
Stamp

### Note :

1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26<sup>th</sup> Annual General Meeting.

THIS PAGE IS INTENTIONALLY LEFT BLANK



(CIN: L22210MH1987PLC044505)

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

### ATTENDANCE SLIP

Please fill the Folio/DP ID-Client ID No. and name and sign the Attendance Slip and hand  
It over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip at the venue of the meeting.

### 26th Annual General Meeting on 1<sup>st</sup> August, 2014, Friday, 4.30 p.m.

DP ID*		Folio No.	
Client ID*		No. of shares	

NAME AND ADDRESS OF THE SHAREHOLDERS

I hereby record my presence at the **26<sup>th</sup> Annual General Meeting** of the Company on Friday,  
1<sup>st</sup> August, 2014, at 4.30 p.m. at the "SUNVILLE DELUXE" PAVILLION, 9, Dr. Annie Besant  
Road, Worli, Mumbai-400018

Signature of Shareholder /Proxy

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

*If undelivered, please return to :*



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