



# Jumbo Bag Ltd.



AN ISO 22000, 9001 & BRC / IOP CERTIFIED COMPANY

JSE/AGM-3/2020-2021/

23.07.2020

Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
MUMBAI-400 001.

Dear Sir,

Ref: Scrip Code -516078

**Sub: Submission of Notice of 30th Annual General Meeting (AGM) and Annual Report for the FY 2018-19 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of 30th AGM and Annual Report for the FY 2019-20.

Thanking you,

Yours faithfully,  
For JUMBO BAG LIMITED.,

R. Pramod Kumar  
Company Secretary  
Mobile - 09840288401



"IF YOU ARE SATISFIED TELL OTHERS, IF NOT TELL US"



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# Jumbo Bag Limited

ISO 9001 & 14001

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## 2019-2020

ANNUAL  
REPORT



**WE SHARE OUR JOY**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

|                              |                           |
|------------------------------|---------------------------|
| <b>SMT RENUKA MOHAN RAO</b>  | Chairman                  |
| <b>SRI G.S. ANIL KUMAR</b>   | Managing Director         |
| <b>SRI G.P.N. GUPTA</b>      | Whole-Time Director & CFO |
| <b>SMT. S. SUBHASHINI</b>    | Director                  |
| <b>SRI. RAJENDRA KUMAR P</b> | Director                  |

### AUDIT COMMITTEE

|                             |          |
|-----------------------------|----------|
| <b>SMT RENUKA MOHAN RAO</b> | Chairman |
| <b>SRI G.P.N. GUPTA</b>     | Member   |
| <b>SMT S. SUBHASHINI</b>    | Member   |

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. R. PRAMOD KUMAR

#### REGISTERED OFFICE:

"S.K. Enclave", New No.4 (Old No.47),  
Nowroji Road, Chetpet,  
Chennai – 600 031  
Phone: 044-26451722, 26461415, 26452325  
Fax: 91-44-26451720  
Website: www.jumbobaglimited.com  
CIN: L36991TN1990PLC019944

### PLANT LOCATION:

- Unit I:** No.75, Thatchur Kootu Road,  
Panjetty Village, Ponneri Taluk,  
Tiruvallur District – 601 204
- Unit II:** No.106, G.N.T. Road,  
Alingivakkam P.O., Athipedu Village,  
Chennai – 600 067

### STATUTORY AUDITORS:

M/s. J.V. RAMANUJAM & CO  
Chartered Accountants,  
F1 Lakshmi, No.56, Third Main Road  
Raja Annamalaipuram Chennai – 600 028

### SECRETARIAL AUDITORS:

M/s. Lakshmmi Subramanian & Associates  
Practising Company Secretaries  
Ground Floor, 81, MNO Complex  
Greams Road, Thousand Lights  
Chennai-600 006.

### BANKERS:

State Bank of India  
South Indian Bank

### REGISTRARS & SHARE TRANSFER AGENT:

M/s. Cameo Corporate Services Limited,  
Subramaniam Building,  
No.1, Club House Road, Chennai – 600 002  
Phone: 044-28460390  
Fax: 044-28460129

### LISTING:

The Bombay Stock Exchange Limited

**DATE OF MEETING:** 14<sup>th</sup> August, 2020

**VENUE OF MEETING:** Through Video  
Conference (VC) or Other Audio Visual Means

**MISSION**

To provide a one-stop-solution through continuous innovation and total employee involvement

**VISION**

To be a world leader in the field of packaging

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of the members of JUMBO BAG LIMITED will be held on Friday, 14<sup>th</sup> August, 2020 IST through Video Conference (VC) or Other Audio Visual Means (OAVM) to transact the following:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2020 and the statement of Profit & Loss for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri GPN Gupta (DIN: 00086174) who retires by rotation and being eligible, offers himself for re-appointment.

**On behalf of the Board  
For JUMBO BAG LIMITED**

**G.S. ANIL KUMAR  
Managing Director  
(DIN: 00080712)**

Place: Chennai

Date: 22/06/2020

### Note:

- In view of the situation arising due to COVID-19 global pandemic, the Annual General Meeting of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the re-appointment and appointment of Directors as mentioned under item no.2 of this notice is appended. Further, the Company has received relevant disclosure/consent from the Director seeking appointment.
- The Register of Members and Share Transfer Books of the Company will remain closed from 08<sup>th</sup> August, 2020 to 14<sup>th</sup> August, 2020 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable clauses of the SEBI (Listing Obligations and Disclosures Requirements Regulations) 2015.
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.jumbobaglimited.com](http://www.jumbobaglimited.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
- The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Cameo Corporate Services Limited, the Registrar & Share Transfer Agent of the Company.
- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited for assistance in this regard.

- At the twenty-seventh AGM held on September 8, 2017 the Members approved appointment of M/s J.V. Ramanujam & Co, Chartered Accountants (Firm Registration No. 002947S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the thirty-second AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Thirtieth AGM.
- Since AGM is held through Video Conference (VC) or Other Audio Visual Means (OAVM) Route map is not annexed.

**E Voting & its procedures:****Voting through Electronic Means:**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.jumbobagltd.com](http://www.jumbobagltd.com) The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- i) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 07<sup>th</sup> August, 2020, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on Tuesday, 11<sup>th</sup> August, 2020 and will end at 5.00 p.m. on Thursday, 13<sup>th</sup> July, 2020 for the members to cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on "Shareholders" module.
- v) Now enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

| <b>For Shareholders holding shares in Demat Form and Physical Form</b> |  |
|--|--|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)   |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB)                 | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to murali@cameoindia.com
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to murali@cameoindia.com.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at csjbl@blissgroup.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at csjbl@blissgroup.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed





to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; csjbl@blissgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

- xxi) The Company has appointed Smt. Lakshmmi Subramanian, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast and she has communicated her willingness to be appointed.

The Scrutinizer, after scrutinising the votes cast during the AGM and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.jumbobaglimited.com](http://www.jumbobaglimited.com) and CDSL website. The results shall simultaneously be communicated to the Bombay Stock Exchange Limited.

**AS PER REGULATION 36(3) OF SEBI LODR 2015 AND AS PER SECRETARIAL STANDARDS ON GENERAL MEETING ADDITIONAL INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IN ITEM NO. 2.**

|  |  |
|--|--|
| <b>Name of Director</b>                            | <b>Sri. GPN Gupta</b>  |
| Date of Birth / Age                                | 74   |
| Qualification                                      | Graduate in Commerce   |
| Experience   | 50 years   |
| Terms and Conditions of Appointment/Re-appointment | -  |
| Date of First Appointment                          | 29/11/1990   |
| Expertise in specific General Functional area      | Corporate Finance and General Management   |
| Shareholding in the Company                        | 115873   |
| Relationship with other directors and KMP          | NA   |
| No. of Board meetings attended during FY19-20      | 4  |
| List of outside Directorships held                 | 1. Stanpacks (India) Limited.<br><br>2. Ankur Learning Solutions Private Limited |

| Name of Director  | Sri. GPN Gupta   |
|---|--|
| Chairman / Member of the Committee of the Board of Directors of the Company                                       | 1. Audit Committee- Member<br>2. Stakeholders' Relationship Committee -Member<br>3. Share Transfer Committee - Member  |
| Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director | Stanpacks (India) Limited<br>1. Audit Committee- Member<br>2. Nomination and Remuneration committee – Member<br>3. Stakeholders' Relationship Committee – Member<br>4. Share Transfer Committee - Member |
| Last approved Remuneration drawn  | Rs.1,00,000 p.m  |

**DIRECTORS' REPORT**

To the Members,

Your Directors present their 30<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March 2020.

**FINANCIAL RESULTS:****(Rs in Lakhs)**

| <b>PARTICULARS</b>   | <b>2019-20</b> | <b>2018-19</b> |
|--|----------------|----------------|
| <b>SALES AND OTHER INCOME</b>  | 9257.44        | 11781.16       |
| <b>PROFIT BEFORE INTEREST, DEPRECIATION, TAXES &amp; EXCEPTIONAL ITEMS</b> | 634.16         | 828.30         |
| <b>INTEREST</b>  | 340.35         | 399.13         |
| <b>DEPRECIATION</b>  | 180.39         | 178.57         |
| <b>EXCEPTIONAL ITEMS</b>   | -              | 151.18         |
| <b>PROFIT/ (LOSS) BEFORE TAX</b>   | 113.42         | 99.42          |
| <b>TAX EXPENSES</b>  | 17.30          | (3.53)         |
| <b>PROFIT/ (LOSS) AFTER TAX</b>  | 96.12          | 102.95         |
| <b>PROFIT AVAILABLE FOR APPROPRIATION</b>                                  | 96.12          | 102.95         |

**OPERATIONS AND FINANCIAL PERFORMANCE:**

The revenue of the Company for the FY 2020 is Rs.9257.44 lakhs dropping by 21.42% over the previous year revenue of Rs.11781.16 mainly on account lower exports due to slowdown in the global economy. The PBT for the FY 2020 is Rs.113.42 against Rs.99.42 for FY 2019. The PAT of the Company for FY 2020 is Rs. 96.12 lakhs, down by 6.63% over the previous year PAT of Rs.102.95 in FY 2019. The detail overview of the Company performance in the financial year 2019-20 is given in Annexure-I to the Directors Report - Management Discussion and Analysis Report.

In the end of FY 2020 the Government of India enforced lockdown all over the country to contain the spread of COVID 19. This has resulted in closure of offices and manufacturing units of the Company to ensure the safety of workers. The Company after taking appropriate permission and ensuring safety measures for the workers commenced the production of Bags with minimum staff and supplied them to entities producing essential items. Later when the lockdown is relaxed with some restriction the Company has picked up the production, but due to shortage of laborers achieving full capacity will take some time. As for as sales is concerned the order book of the Company is good and as the production picks up in full scale we will be able to execute the orders.

Though the business environment is uncertain due to the pandemic the Company is very hopeful of recovery with the existence of good customer network and markets around the world.

The trading division of the Company which is into polymer raw material sales has recorded higher sales during the FY 2020 compared to the previous year in spite of the stiff competition in pricing from new players in the market. The commission on sales from the trading division in FY 2020 is Rs.113.61 lakhs higher by 7.80% against the previous year commission of Rs.105.39 lakhs in FY 2019.

**DIRECTORS & KEY MANAGERIAL PERSONNEL:**

In accordance with section 152 of the Companies Act, 2013 Sri GPN Gupta (DIN: 00086174) will retire by rotation at this ensuing Annual General Meeting. He being eligible, offers himself for re-appointment. The subject forms part of the ordinary business in the Notice of the 30<sup>th</sup> Annual General Meeting.

Your Company appointed Sri. Rajendra Kumar P (DIN-00835879) as an Independent Director with effect from 1<sup>st</sup> May, 2019 and his appointment was regularized by shareholders at the 29<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July, 2020.

The Company has re-appointed Sri. GPN Gupta as Chief Financial officer of the Company with effect from 15<sup>th</sup> November, 2019.

**DIVIDEND:**

The Board of Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March 2020 due to inadequate profits.

**UNPAID / UNCLAIMED DIVIDEND:**

In compliance with the provisions of Section 124 of the Companies Act, 2013 and rules made thereunder the Company had transferred all the unclaimed dividends to Investor Education and Protection Fund and there is no unclaimed dividends lying in the Company's Unpaid Dividend Account.

**TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013:**

For the financial year ended 31<sup>st</sup> March 2020, the Company has proposed to carry an amount of Rs.5.83 Lakhs to General Reserve Account.

**COMMISSION RECEIVED BY DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY:**

The Company neither has any holding nor is any subsidiary company, therefore, disclosure under Section 197 (14) of the Companies Act, 2013 not applicable.

**MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

The Company has closed one of its units which was operating at a rental premise in Peruvoyal Village, Thiruvallur District, Tamil Nadu with effect from 31.03.2020. The unit was closed since the premise was attached by the bank against a loan default by the landlord. The Company has shifted some of its machineries to its existing plants while others were shifted to satellite units where production is outsourced. The closure of unit will not have any major impact on the financials of the Company since it was handling only a few operations and there was no direct sales from the unit.

**ANNUAL EVALUATION OF BOARD'S PERFORMANCE:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the annual performance evaluation of its Board, the directors individually and Committees of the board viz., Audit and Nomination and Remuneration Committee has been carried out.

The board and the committee were evaluated on various criteria as stated below:

1. Composition of the Board and Committee.
2. Understanding of the Company and its business by the Board.
3. Availability of information to the board and committee.
4. Effective Conduct of Board and Committee Meetings.
6. Monitoring by the Board management effectiveness in implementing strategies, managing risks and achieving the goals.

The Board also carried out the evaluation of directors and chairman based on following criteria:

1. Attendance at the meetings.
2. Understanding and knowledge of the entity.
3. Maintaining Confidentiality of board discussion.
4. Contribution to the board by active participation.
5. Maintaining independent judgment in the decisions of the Board



## NUMBER OF MEETINGS OF BOARD AND AUDIT COMMITTEE:

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performances of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. The details of number of board meetings and other committee meetings held during the Financial Year 2019-20 are as follows:

- No. of Board Meetings: 4

|                               |                                |
|-------------------------------|--------------------------------|
| 22 <sup>nd</sup> April 2019   | 31 <sup>st</sup> July 2019     |
| 4 <sup>th</sup> November 2019 | 05 <sup>th</sup> February 2020 |

The interval between two Board Meetings was well within the maximum period mentioned under section 173 of the Companies Act, 2013, and SEBI Listing (Disclosures and Obligations Requirements) Regulations, 2015.

- No. of Audit Committee Meetings: 4

|                               |                                |
|-------------------------------|--------------------------------|
| 22 <sup>nd</sup> April 2019   | 31 <sup>st</sup> July 2019     |
| 4 <sup>th</sup> November 2019 | 05 <sup>th</sup> February 2020 |

- No. of Nomination & Remuneration Committee Meetings: 1 (31st July 2019)

- Stakeholder Relationship Committee:

As required under Section 178(5) of the Companies Act, 2013, the Company has constituted Stakeholders' Relationship Committee. The committee includes Smt. S.Subhashini as Chairperson and Sri. G.P.N. Gupta as members. The Committee considers and resolves the grievances of security holders of the company.

- Share Transfer Committee:

The Committee oversees share transfers, share transmission, issue of duplicate share certificates etc. The committee includes Smt. S.Subhashini as Chairperson and Sri. G.P.N. Gupta as members. During the year the committee held a meeting on 10<sup>th</sup> May 2019.

## DECLARATION OF INDEPENDENCE:

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 which has been relied on by the Company and placed at the Board Meeting of the Company.

## NOMINATION AND REMUNERATION POLICY:

Pursuant to Section 178(3) of the Companies Act, 2013, the Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the company. The policy also lays down the criteria for selection and appointment of Board Members. The Remuneration Policy is available on the website of the company. The salient features of the policy are given below:

### Nomination & remuneration Policy:

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, inter alia, the following responsibilities:

- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director.
- The Committee shall identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

4. The Board shall carry out evaluation of performance of every Director, Managerial Person, KMP and Senior Management Personnel at regular interval (yearly).
5. The remuneration/ compensation/ commission etc. to the Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
6. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.
7. Where any insurance is taken by the Company on behalf of its Managerial Personnel, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
8. The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
9. Commission to Non-Executive/ Independent Directors may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**RISK MANAGEMENT:**

The Company has in place a Risk Management Policy duly approved by the board which is periodically reviewed by the management. The main objective of the company's risk management policy is to ensure the effective identification and reporting of risk exposures, involvement of all departments and employees in risk management, to ensure continuous growth of business and protect all the stakeholders of the Company.

The Audit Committee and Board of Directors consider the risk exposure before approving a strategic decisions taken by the Company. Further the Company has strong internal control system in place to identify the risks at any stage of the business. This internal control system is further reviewed by the internal auditors of the Company and a report is submitted to the Audit Committee. The Committee based on the report of internal auditors advises on the necessary action to be taken in case of any deviation from required standards.

**AUDITORS:**

M/s. J.V. Ramanujam & Co (Firm Registration No. 002947S) are the Statutory Auditors of the Company who were appointed at the 27th Annual General Meeting held on 8th September, 2017 to hold office until the conclusion of 32nd Annual General Meeting.

The statutory auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

**COST AUDIT:**

Pursuant to notification of Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) amendment rules, 2014, the Company's product does not fall under the purview of Cost Audit.

**MANAGEMENT DISCUSSION ANALYSIS REPORT:**

The report has been presented separately detailing the overall status of economy, industry and business of the Company in Annexure [I].

**SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the year 2019-20 is included as "Annexure [IV]" and forms an integral part of this Report.



The Secretarial Audit Report points out regarding Show Cause Notice dated 07th February, 2020 under Section 124 and 125 of the Companies Act, 2013 for non-transfer of shares to Investor Education and protection Fund. Following is the management response regarding action taken on the show cause notice:

We replied to the above mentioned show cause notice vide letter dated 20.02.2020 and 07.03.2020 and updated the compliance status to the authority. We have taken the required action for transfer of shares to IEPF after issuing individual notices to shareholders and publishing newspaper advertisement. The notice period of 3 months expired on May 2020, but due nationwide lockdown to contain spread of Covid-19 we were unable to complete the process of transfer. We are coordinating with our RTA to transfer the shares to IEPF at the earliest possible time.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "Annexure [II]" to this Report.

#### **RELATED PARTY TRANSACTIONS:**

During the financial year 2019-20, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

The details of the related party transactions as required under Accounting Standard – 18 are set out in Note to the standalone financial statements forming part of this Annual Report.

#### **LOANS AND INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statement.

#### **VIGIL MECHANISM:**

Your Company has in place Whistle Blower Policy approved by Board of Directors in compliance with provisions of Section 177 (10) of the Companies Act, 2013. The policy provides a mechanism to the Directors and Employees to voice their concerns regarding irregularities in the Company in an effective manner. The mechanism provides for adequate safeguards against victimization of Directors and employees to avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The amended policy pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 effective from 1st April, 2019 has been uploaded in the website of the Company at [www.jumbobaglimited.com](http://www.jumbobaglimited.com).

#### **AUDIT COMMITTEE RECOMMENDATION:**

During the year all the recommendations of the Audit Committee were accepted by the Board. Pursuant to Section 177(8) of the Companies Act, 2013, the Composition of Audit Committee is given as under:

|                             |                     |
|-----------------------------|---------------------|
| Smt. Renuka Mohan Rao       | Chairman cum Member |
| Smt. Subhashini Subramanian | Member              |
| Sri G P N Gupta             | Member              |

Secretary of the Company shall be the Secretary of the Committee.

#### **DEPOSITS**

The Company has not accepted any deposits from the public during the period 2019-2020 within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

**INTERNAL COMPLAINTS COMMITTEE:**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy. No Complaints were received during the year under review.

**CORPORATE GOVERNANCE:**

As prescribed under the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, your Company does not fall under the purview of complying with the provisions of Corporate Governance. During the year your Company has informed the non-applicability provision to the Bombay Stock Exchange.

Since, the provision of Corporate Governance is not applicable for the entire Financial Year 2019-20, a separate report of Corporate Governance is not disclosed in the Annual Report 2019-20.

**LISTING FEES:**

The Company confirms that it has paid the annual listing fees for the year 2020-21 to the Bombay Stock Exchange.

**CLOSURE OF REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS:**

The Register of Members and Share Transfer books of the company will be closed with effect from 08th August, 2020 to 14th August, 2020 (both days inclusive).

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3)(C) of the Companies Act, 2013, the Directors confirm that:

- In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2020 and of the statement of profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2020;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a 'going concern' basis;
- Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**PERSONNEL:**

None of the employees of the Company drew remuneration which in the aggregate exceeded the limits fixed under Section 134(3)(q) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014





## REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished hereunder:

(Rs. In lakhs)

| S. No | Name            | Designation                 | Remuneration for FY 2019-20 | Remuneration for FY 2018-19 | Increase in remuneration from previous year | Ratio / times per median of employee remuneration |
|-------|-----------------|-----------------------------|-----------------------------|-----------------------------|---|---|
| 1     | G.S. Anilkumar  | Managing Director           | 17.85                       | 17.77                       | 0.45%                                       | 8.00  |
| 2     | G.P.N. Gupta    | Whole-time Director Cum CFO | 12.00                       | 12.00                       | 0.00  | 5.37  |
| 3     | R. Pramod Kumar | Company Secretary           | 5.25                        | 5.08                        | 3.35%                                       | 2.35  |

### Note:

1. The percentage increase in the median remuneration of employees in the financial year is 6.90%.
2. The number of permanent employees on the rolls of company as on 31st March 2020 is 207.
3. The average increase in salaries of employees other than managerial personnel in 2019-20 was 8.21% and that of managerial personnel is 1.27%.
4. The remuneration payable to the KMP / Whole time directors are in accordance with the Industry and Geographical standards and as per the Remuneration policy of the Company.
5. No remuneration is paid to the Independent Directors of the Company other than the sitting fees of Rs.10,000/- for attending Board / Committee Meetings. The details of sitting fees paid to the Directors are set out in Extract of Annual Return (Annexure II)

### CONSERVATION OF ENERGY AND TECHNOLOGY OBSORPTION:

The information on conservation of energy, technology absorption as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as "Annexure [III]" to this Report.

### SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year, the Company has not received any significant and material orders passed by the Regulators or courts or tribunals which would affect the going concern status of the Company and its future operations.

### REPORTING OF FRAUDS BY AUDITORS:

There is no fraud reported in the Company during the F.Y. ended 31st March, 2020. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31st March, 2020.

### INTERNAL FINANCIAL CONTROLS:

The Company has put in place an internal financial control based on the processes involved in the manufacturing and trading divisions of the Company. There is involvement from both management and functional/business process owner with periodic meetings to discuss issues, weaknesses, and progress of the company's internal financial control program.

The internal audit conducted for every quarter further scrutinizes the functioning of various areas of operations and gives its observation to the Audit Committee. Required action is taken based on the decision of the Audit Committee on the observations by the internal auditor.

Various processes like procurements, maintenance, production, marketing, Accounting etc.. are reviewed periodically both internally and by the internal auditors in a way which is commensurate with size & complexity of operations of the Company.

The above process helps the company in taking precautionary measures, making the existing process more efficient, bringing accuracy in accounting which enables orderly conduct of the business.

**PARTICULARS OF EMPLOYEES**

There are no employees falling within the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**SECRETARIAL STANDARDS OF ICSI**

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

**INDUSTRIAL RELATIONS:**

Human Resource is an important asset for the Company and there is cordial relationship exist between the management and the employees across all the plants of the Company.

During the year your Company conducted various activities for the benefit of employees. A Hemoglobin Awareness Program was organized for the employees in the factory. Many women employees participated in the awareness program. A general medical camp in association with Apollo Hospital, Chennai was organized in the factory for the benefit of employees.

**SOCIAL RESPONSIBILITY:**

Your Company believes in importance of education in the growth of individuals and the economy as whole. With an intention to support the education of children's from under privileged segment your company runs a school in the name of Gorantla Ramalingaiah Vivekananda Vidyalaya providing education to over 1100 students at concessional fees. Many children's have benefited from this initiative of the Company.

Your Company has sponsored various social activities along with Sri Devi Arts and Science College which had adopted a village in Ponneri where the Company's factory is situated. The activities like planting of saplings, cleaning of public spaces such a temple, parks, schools etc. and AIDS and hygiene awareness camps for public were undertaken.

**CAUTIONARY STATEMENT**

Shareholders and Readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the Company's operations, but it is not exhaustive as they contain forward-looking statements which are extremely dynamic and increasingly fraught with risk and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein.

**ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation for the continued co-operation, support and assistance extended to the Company by Government of India, Government of Tamil Nadu, Bankers and the Shareholders.

Your Directors also place on record their appreciation for the continued and dedicated performance and commitment by Officers and Staff of the Company.

**For and on behalf of the Board**

Place: Chennai  
Date: 22/06/2020

**RENUKA MOHAN RAO**  
**Chairman**  
**(DIN: 07542045)**



## ANNEXURE - I

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### World Economic Conditions

Against the backdrop of a devastating COVID-19 pandemic, the global economy is projected to contract sharply by 3.2 per cent this year, according to the United Nations World Economic Situation and Prospects (WESP) mid-2020 report.

The global economy is expected to lose nearly \$8.5 trillion in output over the next two years due to the pandemic, wiping out nearly all gains of the previous four years. The sharp economic contraction marks the sharpest contraction since the Great Depression in the 1930s.

The reports estimate that GDP growth in developed economies is expected to plunge to -5.0% in 2020. A modest, 3.4% growth barely enough to make up for the lost output is expected in 2021. World trade is forecast to contract by nearly 15 per cent in 2020 amid sharply reduced global demand and disruptions in global supply chains.

Nearly 90 per cent of the world economy has been under some form of lockdown, disrupting supply chains, depressing consumer demand and putting millions out of work. Under the baseline scenario, the developed economies are expected to contract by 5.0 per cent in 2020, while the output of developing countries will shrink by 0.7 per cent.

As per World Economic Outlook report of IMF Global trade will suffer a deep contraction this year of 11.9 percent, reflecting considerably weaker demand for goods and services, including tourism. Consistent with the gradual pickup in domestic demand next year, trade growth is expected to increase to 8 percent.

While the outlook for the global economic recovery remains uncertain, development of a safe, effective vaccine would lift sentiment and could improve growth outcomes in 2021. Under the current scenario Countries must focus on facilitate recovery by providing the needed stimulus; contain health shock and minimizing the damage to the economy.

#### Uncertainties and risks

As per the World Economic Outlook, April, 2020 "The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3 percent in 2020, much worse than during the 2008–09 financial crisis.

Because the economic fallout is acute, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected businesses domestically. And internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic.

But there it is unlikely to revive demand in the near term as opportunities to consume many goods and services remain limited because restrictions in gathering large number of people like for sporting events, travel etc. The high rate of unemployment caused by the crisis will keep the revival slow.

As per World Economic Situation and Prospects Report, in a pessimistic scenario, major economies will face a second wave of the pandemic later this year, requiring them to extend lockdowns and enforce restrictions on economic activities until early 2021. Under these assumptions, global economic output would plunge steeply.

In the more optimistic scenario, the earlier-than-expected success in combating the pandemic by enhanced testing, tracing and treatment options and signals of breakthroughs in vaccine development will lead to more complete relaxation of restrictions before the end of the second quarter. This will revive aggregate demand in the second half of 2020.

#### Indian Economic Conditions

As per the World Bank report on South Asia which covers eight countries including India, the report anticipates a sharp economic slump in each of the region's eight countries, caused by halting of economic activity, collapsing trade, and greater stress in the financial and banking sectors.

In this fast-changing and uncertain context, the report estimates that regional growth will fall to a range between 1.8 and 2.8 percent in 2020, down from 6.3 percent projected six months ago. That would be the region's worst performance in the last 40 years, with temporary contractions in all South Asian countries. In

case of prolonged and broad national lockdowns, the report warns of a worst-case scenario in which the entire region would experience a negative growth rate this year.

The International Monetary Fund (IMF) further slashed India's growth estimate for FY21 to 1.9% from 5.8% estimated in January, warning that the "worst recession since the Great Depression" will dwarf the economic damage caused by the global financial crisis a decade back. It also said that India and China would be the only two major economies likely to register growth, with all other contracting.

In view of the economic slump caused by Covid-19 Pandemic the Indian Government has announced a number of schemes particularly for MSME's which includes additional credit facilities, increasing the scope of Companies eligible for registration under MSME etc.. How fast these measures will help the Companies to bounce back will depend upon the contraction of Covid spread and relaxation on restriction in business activities including the international activity. Further along with the lockdown also the geopolitical tensions with China will continue to affect the businesses due to disruptions in the supply chain.

Moody's Investors Service said India's economy will not grow in the current financial year because of the "deep shock" triggered by the coronavirus outbreak and cautioned against downside risks to growth from

a further extension of the lockdown. Moody's expects a bounce-back to 6.6% growth in FY22, assuming a gradual pick-up in economic activity and demand in the second half.

### **Packaging and FIBC Industrial Trend**

The analyst monitoring the flexible intermediate bulk container market predict that it is poised to grow by \$ 1.57 bn during 2020-2024 progressing at a CAGR of 6% during the forecast period.

The FIBC market is fragmented with the presence of several international and regional vendors who offer products for end-users in the chemical, food, and other industries. Although the high demand for FIBCs from the construction industry will offer immense growth opportunities, the high availability of substitutes will challenge the growth of the market participants.

The growth of the construction industry is one of the critical reasons expected to boost flexible intermediate bulk container market growth. Flexible intermediate bulk containers save storage space and ensure optimum utilization of trucks, which will help them gain more prominence in the construction industry. The cost savings associated with these containers will drive flexible intermediate bulk container market growth.

The COVID-19 pandemic continues to unfold everyday with severe impact on people, communities, and businesses. The growth in several industries will be impacted significantly while numerous other markets may remain unscathed and show promising growth opportunities.

Due to the massive shutdowns caused by the Coronavirus in manufacturing plants we've already seen significant increases in lead times in execution of sales orders. The production is also affected because of short-term operational issues due to supply chain constraints and lack of site access due to the COVID-19 outbreak. Even if the spread of virus is contained, it may take few months to reach a normal state of economic activity. The market demand will show at par growth due to the increase in infections and reduced economic activity.

On the positive side as the flexible/plastic packaging products industry plays an essential role in avoiding disruptions of vital goods and services during this pandemic, it is indispensable for the supply of the population with safe food, protective equipment, medicines and other vital supplies. Among others, the food industry heavily relies on FIBCs for the safe packaging, storage and transport of their goods.

### **Strengths and Opportunities:**

Your Company is in the business of manufacturing Flexible Intermediate Bulk Containers (FIBC) for more than two decades with a strong supply chain network and reputed customers both in domestic and international market. The Company's vast experience in the industry provides the opportunity to serve customers in diverse sectors from different geographical regions in accordance to their requirements.

The knowledge gained from vast experience in the industry is been invested in Research and Development activities. Through these activities the Company is developing new range of bags to match the needs of the customers. This gives an edge to the Company over its competitors in the market.



The advantage of having customers in diverse sectors has helped the Company during this lockdown period enforced due to Covid-19. The Company executed orders for its customers in Pharma and Food industries as they provide essential services at this time of crisis and who use FIBC bags to a larger extent in transportation.

## Weakness and Threats:

The Company employees many migrant laborers in its manufacturing units but now many have gone back to their home town due spread of Covid-19 and lockdown. Hence the Company is facing labor shortage in its units and has been managing mostly with local laborers. Though some of them are given accommodation by the Company but still it is not adequate. The Company is contacting the laborers in their home town and doing everything possible to bring them back at the earliest. It may take a few months for the Company to bring its operating capacity back to per-Covid level.

The Company is following all the protocols given by the Central/State Government to ensure safety of workers in its units. The employees are provided with masks, Kabasurakudineer and units sanitized regularly. The Company believes the safety of its workers is at most important at this stage. While all these measures has also increased the operational cost for the Company. Hence the Company has decided to cut cost wherever possible, increase the realization from sales etc.. to stay profitable.

Since the Company is making exports to various countries there is always risk of fluctuation in currency value which may affect the realization. Hence in order to safeguard its returns forex contracts are executed by the Company for export transactions. There is always a high risk that any unexpected incidents like the pandemic which we are facing now or trade wars between countries may lead to loss in forex in extreme cases.

## Segment Wise Performance:

Your Company is into the manufacturing of Flexible Intermediate Bulk Bags (FIBC bags) generally used for industrial purposes and also a Del – Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Limited for polymer trading. The following table gives an overview of the financial results of the Company.

| Particulars   | Results 2020 | Results 2019 | Growth % |
|---|--------------|--------------|----------|
| Sales and other income  | 9257.44      | 11781.16     | -21.42%  |
| Profit before interest, Depreciation, taxes & exceptional items | 634.16       | 828.30       | -23.44%  |
| Profit before tax & exceptional items                           | 113.42       | 250.60       | -54.74   |
| Profit/ (Loss) before tax                                       | 113.42       | 99.42        | 14.08%   |
| Profit/ (Loss) after tax  | 96.12        | 102.95       | -6.63%   |

The revenue of the Company for the financial year 2019-2020 has gone down by 21.42% compared to the previous year ended 2018-2019. The drop is primarily due to decrease in the export which provides higher realization. The slowdown in the global economy which affected the exports is, as per IMF report caused by commercial war between USA and China in addition to geopolitical tensions such as Brexit that have sparked uncertainty.

The profit before tax & exceptional items down by 54.74% is the reflection of decrease in the total revenue of the Company. The profit before tax has increased by 14.08% is due to Rs. 351 lakhs write-off on the insurance claim in the previous year.

The upcoming financial year 2020-21 will be challenging on the back of lockdown enforced in India and other countries to contain the spread of Covid-19 pandemic. The Company during the lockdown period was operating at a lower capacity to supply goods to entities engaged in essential services alone. Now the restriction being gradually relaxed it will take some months to pick up the operation given that many migrant laborers gone back their home town. The demand will also take some time to bounce back as customers have to restart and pick up their operations.

Given the uncertain business environment Company is working on various cost cutting exercises and also reaching out to other stakeholders including the customers to deal with the challenges together.

Your company is a Del – Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Limited for Tamil Nadu, Pondicherry and Kerala since 2009. Despite the lockdown the trading division of the Company made small volume of sales in the end of April since polymers being considered as essential material for making certain medical requirements.

The May month saw good number of sales with orders mostly coming from new customers.

The trading division has been able to maintain sales from new customers mostly who are into the business of medical equipment. The existing customers are opening their business gradually after months of shutdown and we are expecting the sales to pick up in the coming months based on COVID situations and economic reliefs.

**Financial Performance**

The Financial and Operational performance of the Company are on growing trend and details of the same are mentioned in the Financial Statements as well as Board report.

**Internal Control System**

Your Company has an efficient inbuilt system to monitor the compliance of standards at each stage of the production process. The system enables the management to quickly identify any deviations from the required standards and to take appropriate action for correction. The compliance to the standards is also reviewed by the management at the monthly meetings.

The above system is further audited by the internal auditor appointed by the Board of Directors who gives quarterly reports to the Audit Committee on the level of compliance. The deviations if any are also reported further to which the committee recommends necessary course of action.

The system helps the company to identify the risks at an early stage so that required action is taken for control.

**Material developments in Human Resources / Industrial Relations front, including number of people employed.**

The FIBC industry is highly labor intensive and attrition rate is also high, hence recruiting right talent, providing quality training and retaining them is the primary focus of the Company. Your Company is equipped with inbuilt infrastructure to provide continuous training to the workers for achieving efficiency in production. The implementation of Total Productive Maintenance (TPT) system is one such initiative for maintaining and improving the production, workers safety and quality systems through the machines, equipment, processes, and employees that add business value. The Administration employees are given opportunities to learn and upskill them by inviting trainers to the Company who are specialist in various fields. The employees and workers are provided competitive compensation, growth opportunities and other benefits for their association with the Company for a longer period.

The Company’s total strength of employees is 1062 March, 2020. There have been no major disputes during the financial year and the Company enjoys cordial relationship with all its employees.

**Risks and Concerns**

The Company has in place a Risk Management Policy duly approved by the board which is periodically reviewed by the management. The main objective of the company’s risk management policy is to ensure the effective identification and reporting of risk exposures, involvement of all departments and employees in risk management, to ensure continuous growth of business and protect all the stakeholders of the Company. Based on the current business environment below are the major risks and its impact identified by the Company and the measures taken for mitigation.

| Risks  | Impact on the Company   | Mitigation Strategy  |
|--|---|--|
| Uncertainty in the business environment caused by Covid-19 | The Company’s operations might get affected with many migrant laborers left for home town and there is uncertainty over when they will return. With many economies slowing down due to the Pandemic the world trade may also shrink impacting the demand for FIBC bags used in transportation of goods. | Employing local laborers wherever possible.<br>Engaging with the migrant workers for their return.<br>Doing cost cutting exercise to stay profitable.<br>Engaging with customers for pricing based on current market conditions. |



|                         |   |  |
|-------------------------|---|--|
| Currency Risks          | The Company is into export of FIBC bags to different countries. There is high risk of forex loss due to volatility in currency market caused by Covid-19, trade wars between countries and other geopolitical issues.   | Company follows a comprehensive Forex Policy for hedging against such volatility in the currency market. Forex Contracts will be executed based on the current market conditions and future outlook. |
| Supply Chain Disruption | There is also the risk of the supply chain disruption due to the COVID-19 pandemic since there are restrictions all over the world in movement of goods. This could impact the transportation of goods particularly exports as per schedule and in effect the delay the revenue generation from orders. | Company has engaged multiple entities in the supply chain to ensure that there is no disruption in the network and there is always an alternative.   |

### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios.

During the FY20 operating profit margin is 4.94% compared 5.50% in the previous financial year and the return on networth (RONW) for the FY20 is Rs.5.59% against 6.37% in the prior year.

The drop in the returns is due to lower exports during the financial year 2019-20 - Rs. 2786.84 lakhs against Rs. 4694.01 in the previous year on the back of slowdown in certain markets impacting the Company profit.

### Future Outlook:

The COVID-19 pandemic has already impacted the demand and supply all over the world due to lockdown and safety concerns slowing down the economic activity. Companies may downsize their business activity in line with the current market conditions. This could impact the demand for FIBC bags which used by the customers for storage and transportation of their goods. Hence your Company is engaging with the existing customers and also reaching out to new markets to increase the revenue and growth.

The pick in the economic activity depends on how the pandemic continues to affect the countries, its treatment and vaccine development. Your Company has taken various measures to contain the risks impacting its operations as discussed above to stay profitable.

### Cautionary Statement:

Statements contain in this report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement because of many factors like economic condition, availability of labour, price conditions, domestic and international market, etc.

**For and on behalf of the Board**

**SMT. Renuka Mohan Rao**  
**Chairman**  
**(DIN: 07542045)**

Place: Chennai

Date: 22/06/2020

**ANNEXURE II  
EXTRACT OF ANNUAL RETURN  
FORM MGT 9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and  
Rule 12(1) of the Company (Management & Administration) Rules, 2014)  
**Financial Year ended on 31.03.2020**

**I. REGISTRATION AND OTHER DETAILS:**

|   |   |
|---|---|
| CIN   | L36991TN1990PLC019944   |
| Registration Date   | 29.11.1990  |
| Name of the Company   | Jumbo Bag Limited   |
| Category / Sub-Category of the Company                                    | Company Limited by shares / Indian Non-Government Company                       |
| Address of the Registered office and contact details                      | "S.K.Enclave", No.4, Nowroji Road, Chetpet, Chennai – 600 031. Ph: 044 26452325 |
| Whether listed company  | Yes (Listed in BSE)   |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s.Cameo Corporate Services Ltd<br>No.1, Club House Road<br>Chennai – 600 002  |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S. No. | Name and Description of main products/services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Flexible Intermediate Bulk Container           | 63053200                         | 86.74%                             |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| S. No.     | Name and address of the Company | CIN/ GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|------------|---------------------------------|----------|--------------------------------|------------------|--------------------|
| <b>NIL</b> |                                 |          |                                |                  |                    |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**i) Category-wise Share Holding:**

| Category of Shareholders  | No. of Shares held at the beginning of the year |          |                |                   | No. of Shares held at the end of the year |          |                |                   | % change during the year |
|---------------------------|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
|                           | Demat   | Physical | Total          | % of Total Shares | Demat                                     | Physical | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>       |   |          |                |                   |   |          |                |                   |                          |
| <b>(1) Indian</b>         |   |          |                |                   |   |          |                |                   |                          |
| a) Individual/ HUF        | 1010297   | 0        | 1010297        | 12.07             | 1010297                                   | 0        | 1010297        | 12.07             | 0.00                     |
| b) Central Govt           | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0.00                     |
| c) State Govt(s)          | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0.00                     |
| d) Bodies Corp            | 2632200   | 0        | 2632200        | 31.43             | 2632200                                   | 0        | 2632200        | 31.43             | 0.00                     |
| e) Banks/FI               | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0.00                     |
| f) Any other              | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0.00                     |
| <b>Sub-total (A) (1):</b> | <b>3642497</b>                                  | <b>0</b> | <b>3642497</b> | <b>43.50</b>      | <b>3642497</b>                            | <b>0</b> | <b>3642497</b> | <b>43.50</b>      | <b>0.00</b>              |





| Category of Shareholders  | No. of Shares held at the beginning of the year |              |                |                   | No. of Shares held at the end of the year |              |                |                   | % change during the year |
|---|---|--------------|----------------|-------------------|---|--------------|----------------|-------------------|--------------------------|
|   | Demat   | Physical     | Total          | % of Total Shares | Demat                                     | Physical     | Total          | % of Total Shares |                          |
| <b>(2) Foreign</b>  |   |              |                |                   |   |              |                |                   |                          |
| a) NRIs - Individuals   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| b) Other - Individuals  | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| c) Bodies Corp.   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| d) Banks/FI   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| e) Any Other  | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| <b>Sub-total (A) (2):</b>   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| <b>Total shareholding of Promoter(A)= (A)(1)+(A) (2)</b>                  | <b>3642497</b>                                  | <b>0</b>     | <b>3642497</b> | <b>43.50</b>      | <b>3642497</b>                            | <b>0</b>     | <b>3642497</b> | <b>43.50</b>      | <b>0.00</b>              |
| <b>B. Public Shareholding</b>   |   |              |                |                   |   |              |                |                   |                          |
| <b>1. Institutions</b>  |   |              |                |                   |   |              |                |                   |                          |
| a) Mutual Funds   | 0   | 15600        | 15600          | 0.19              | 0   | 15600        | 15600          | 0.19              | 0.00                     |
| b) Banks/FI   | 100   | 0            | 100            | 0.00              | 100                                       | 0            | 100            | 0.00              | 0.00                     |
| c) Central Government   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| d) State Government(s)  | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| e) Venture Capital Funds  | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| f) Insurance Companies  | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| g) FIIs   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| h) Foreign Venture Capital Funds  | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| i) Others (Specify)   | 0   | 0            | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| <b>Sub-total (B) (1):</b>   | <b>100</b>                                      | <b>15600</b> | <b>15700</b>   | <b>0.19</b>       | <b>100</b>                                | <b>15600</b> | <b>15700</b>   | <b>0.19</b>       | <b>0.00</b>              |
| <b>2. Non-Institutions</b>  |   |              |                |                   |   |              |                |                   |                          |
| a) Bodies Corporate   |   |              |                |                   |   |              |                |                   |                          |
| i) Indian   |   |              |                |                   |   |              |                |                   |                          |
| ii) Overseas  | 94376   | 5600         | 99976          | 1.19              | 62689                                     | 5600         | 68289          | 0.81              | (0.38)                   |
| b) Individuals  |   |              |                |                   |   |              |                |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs.1,00,000 | 1672069   | 686988       | 2359057        | 28.17             | 1638751                                   | 677888       | 2316639        | 27.67             | (0.50)                   |

| Category of Shareholders   | No. of Shares held at the beginning of the year |               |                |                   | No. of Shares held at the end of the year |               |                |                   | % change during the year |
|--|---|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|
|  | Demat   | Physical      | Total          | % of Total Shares | Demat                                     | Physical      | Total          | % of Total Shares |                          |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1,00,000 | 1909356   | 178000        | 2087356        | 24.93             | 1993863                                   | 178000        | 2171863        | 25.94             | 1.01                     |
| c) Others :  |   |               |                |                   |   |               |                |                   |                          |
| i) Clearing Members  | 4250  | 0             | 4250           | 0.05              | 0   | 0             | 0              | 0                 | (0.05)                   |
| ii) Hindu Undivided Families   | 140411  | 0             | 140411         | 1.68              | 134259                                    | 0             | 134259         | 1.60              | (0.08)                   |
| iii) Non-Resident Indians  | 10053   | 14400         | 24453          | 0.29              | 10053                                     | 14400         | 24453          | 0.29              | 0.00                     |
| <b>Sub-total (B) (2):</b>  | <b>3830515</b>                                  | <b>884988</b> | <b>4715503</b> | <b>56.31</b>      | <b>3839615</b>                            | <b>875888</b> | <b>4715503</b> | <b>56.31</b>      | <b>0.00</b>              |
| Total Public Shareholding (B) = (B) (1)+(B)(2)                                     | <b>3830615</b>                                  | <b>900588</b> | <b>4731203</b> | <b>56.50</b>      | <b>3839715</b>                            | <b>891488</b> | <b>4731203</b> | <b>56.50</b>      | <b>0.00</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                             | 0   | 0             | 0              | 0.00              | 0   | 0             | 0              | 0.00              | 0.00                     |
| <b>Grand Total (A+B+C)</b>   | <b>7473112</b>                                  | <b>900588</b> | <b>8373700</b> | <b>100</b>        | <b>7482212</b>                            | <b>891488</b> | <b>8373700</b> | <b>100</b>        | <b>0.00</b>              |

**ii) Shareholding of Promoters**

| S. No. | Shareholder's Name                         | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|        |  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged encumbered to total shares |   |
| 1      | Balaji Trading Enterprises Private Limited | 2632200                                   | 31.43                            | 17.40  | 2632200                             | 31.43                            | 17.40  | 0.00                                      |
| 2      | G.P.N.Gupta                                | 115873                                    | 1.38                             | 0.00   | 115873                              | 1.38                             | 0.00   | 0.00                                      |
| 3      | G.Radhakrishna                             | 100495                                    | 1.20                             | 0.00   | 100495                              | 1.20                             | 0.00   | 0.00                                      |
| 4      | Dr.Gaddam Kumar Reddy                      | 75230                                     | 0.90                             | 0.00   | 75230                               | 0.90                             | 0.00   | 0.00                                      |
| 5      | G.S.Anilkumar                              | 32550                                     | 0.39                             | 0.00   | 32550                               | 0.39                             | 0.00   | 0.00                                      |
| 6      | G.P.Ramraj                                 | 35500                                     | 0.42                             | 0.00   | 35500                               | 0.42                             | 0.00   | 0.00                                      |
| 7      | G.Sudhakar                                 | 50300                                     | 0.60                             | 0.00   | 50300                               | 0.60                             | 0.00   | 0.00                                      |



|    |                   |       |      |      |       |      |      |      |
|----|-------------------|-------|------|------|-------|------|------|------|
| 8  | G.V.Balaji        | 40500 | 0.48 | 0.00 | 40500 | 0.48 | 0.00 | 0.00 |
| 9  | G.V.Gopinath      | 28000 | 0.33 | 0.00 | 28000 | 0.33 | 0.00 | 0.00 |
| 10 | G.V.Jayalakshmi   | 88250 | 1.05 | 0.00 | 88250 | 1.05 | 0.00 | 0.00 |
| 11 | G.S.Jwala         | 6800  | 0.08 | 0.00 | 6800  | 0.08 | 0.00 | 0.00 |
| 12 | G.R.Latharani     | 72500 | 0.87 | 0.00 | 72500 | 0.87 | 0.00 | 0.00 |
| 13 | G.S.Rajasekar     | 51550 | 0.62 | 0.00 | 51550 | 0.62 | 0.00 | 0.00 |
| 14 | G.P.Ravichandran  | 25100 | 0.30 | 0.00 | 25100 | 0.30 | 0.00 | 0.00 |
| 15 | G.S.Sarojini      | 50750 | 0.61 | 0.00 | 50750 | 0.61 | 0.00 | 0.00 |
| 16 | G.R. Mahalakshmi  | 20004 | 0.24 | 0.00 | 20004 | 0.24 | 0.00 | 0.00 |
| 17 | G.R.Pragathi      | 48100 | 0.57 | 0.00 | 48100 | 0.57 | 0.00 | 0.00 |
| 18 | G.S.Sridhar       | 31550 | 0.38 | 0.00 | 31550 | 0.38 | 0.00 | 0.00 |
| 19 | G.S.Srinivas      | 31550 | 0.38 | 0.00 | 31550 | 0.38 | 0.00 | 0.00 |
| 20 | G.V.Chalapathi    | 12800 | 0.15 | 0.00 | 12800 | 0.15 | 0.00 | 0.00 |
| 21 | G.B.Rachitha      | 6667  | 0.08 | 0.00 | 6667  | 0.08 | 0.00 | 0.00 |
| 22 | G.Sangeetha       | 19167 | 0.23 | 0.00 | 19167 | 0.23 | 0.00 | 0.00 |
| 23 | G.S.Vijayalakshmi | 6000  | 0.07 | 0.00 | 6000  | 0.07 | 0.00 | 0.00 |
| 24 | G.R.Reena         | 6000  | 0.07 | 0.00 | 6000  | 0.07 | 0.00 | 0.00 |
| 25 | G.A.Nandini       | 6000  | 0.07 | 0.00 | 6000  | 0.07 | 0.00 | 0.00 |
| 26 | G.Ahalya          | 29900 | 0.36 | 0.00 | 29900 | 0.36 | 0.00 | 0.00 |
| 27 | G.V.Satish Kumar  | 18161 | 0.22 | 0.00 | 18161 | 0.22 | 0.00 | 0.00 |
| 28 | G.R.Achyutha      | 1000  | 0.01 | 0.00 | 1000  | 0.01 | 0.00 | 0.00 |

**(iii) Change in Promoters' Shareholding: NIL**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | Name of the Top 10 Shareholders  | Shareholding at the beginning of the year |                                  |                        |                                    | Reason | No. of shares | % of total shares of the company |
|---------|--|---|----------------------------------|------------------------|------------------------------------|--------|---------------|----------------------------------|
|         |  | No. of shaares                            | % of total shares of the company | Date of Purchase/ Sale | Increase/ Decrease in Shareholding |        |               |                                  |
| 1       | Mukesh Kanooga S   | 285612                                    | 3.41                             | 05.04.2019             | -5612                              | Sale   | 280000        | 3.34                             |
|         |  |   |                                  | 12.04.2019             | -11500                             | Sale   | 268500        | 3.20                             |
|         |  |   |                                  | 14.06.2019             | -17540                             | Sale   | 250960        | 2.99                             |
|         |  |   |                                  | 29.06.2019             | -3818                              | Sale   | 247142        | 2.95                             |
|         |  |   |                                  | 19.07.2019             | -5057                              | Sale   | 242085        | 2.89                             |
| 2       | DR Sheela Swamy  | 212262                                    | 2.53                             | -                      | -                                  | -      | 212262        | 2.53                             |
| 3       | Kamal Kumar Keshwani   | 162128                                    | 1.94                             | -                      | -                                  | -      | 162128        | 1.94                             |
| 4       | Mita Dipak Shah<br>JT1 : Dipak Kanayalal Shah<br>JT2 : Sharad Kanayalal Shah | 140000                                    | 1.67                             | -                      | -                                  | -      | 140000        | 1.67                             |
| 5       | Muralidhar G   | 116351                                    | 1.39                             | 19.04.2019             | -10                                | Sale   | 116341        | 1.38                             |

|    |   |        |      |            |       |          |        |      |
|----|---|--------|------|------------|-------|----------|--------|------|
|    |   |        |      | 31.12.2019 | -1000 | Sale     | 115341 | 1.38 |
|    |   |        |      | 14.02.2019 | 1714  | Purchase | 117055 | 1.40 |
| 6  | D Radhakrishnan                                   | 103680 | 1.24 | 26.04.2019 | 23618 | Purchase | 127298 | 1.52 |
|    |   |        |      | 10.05.2019 | 15703 | Purchase | 143001 | 1.71 |
|    |   |        |      | 17.05.2019 | 81    | Purchase | 143082 | 1.71 |
|    |   |        |      | 24.05.2019 | 777   | Purchase | 143859 | 1.72 |
|    |   |        |      | 31.05.2019 | 529   | Purchase | 144388 | 1.72 |
|    |   |        |      | 07.06.2019 | 2803  | Purchase | 147191 | 1.76 |
|    |   |        |      | 14.06.2019 | 22791 | Purchase | 169982 | 2.03 |
|    |   |        |      | 21.06.2019 | 3749  | Purchase | 173731 | 2.07 |
|    |   |        |      | 29.06.2019 | 431   | Purchase | 174162 | 2.08 |
|    |   |        |      | 15.07.2019 | 3888  | Purchase | 178050 | 2.13 |
|    |   |        |      | 12.07.2019 | 1920  | Purchase | 179970 | 2.15 |
|    |   |        |      | 19.07.2019 | 6837  | Purchase | 186807 | 2.23 |
|    |   |        |      | 24.07.2019 | 313   | Purchase | 187120 | 2.23 |
|    |   |        |      | 02.08.2019 | 3896  | Purchase | 191016 | 2.28 |
|    |   |        |      | 09.08.2019 | 600   | Purchase | 191616 | 2.29 |
|    |   |        |      | 23.08.2019 | 115   | Purchase | 191731 | 2.29 |
|    |   |        |      | 30.08.2019 | 100   | Purchase | 191831 | 2.29 |
|    |   |        |      | 06.09.2019 | 300   | Purchase | 192131 | 2.29 |
|    |   |        |      | 13.09.2019 | 303   | Purchase | 192434 | 2.30 |
|    |   |        |      | 27.09.2019 | 1850  | Purchase | 194284 | 2.32 |
|    |   |        |      | 11.10.2019 | 729   | Purchase | 195013 | 2.33 |
|    |   |        |      | 18.10.2019 | 220   | Purchase | 195233 | 2.33 |
|    |   |        |      | 25.10.2019 | 2770  | Purchase | 198003 | 2.36 |
|    |   |        |      | 01.11.2019 | 400   | Purchase | 198403 | 2.37 |
|    |   |        |      | 08.11.2019 | 2772  | Purchase | 201175 | 2.40 |
|    |   |        |      | 15.11.2019 | 3060  | Purchase | 204235 | 2.44 |
|    |   |        |      | 22.11.2019 | 105   | Purchase | 204340 | 2.44 |
|    |   |        |      | 10.01.2020 | 50    | Purchase | 204390 | 2.44 |
|    |   |        |      | 21.02.2020 | 500   | Purchase | 204890 | 2.45 |
|    |   |        |      | 28.02.2020 | 500   | Purchase | 205390 | 2.45 |
|    |   |        |      | 06.03.2020 | 401   | Purchase | 205791 | 2.46 |
|    |   |        |      | 13.03.2020 | 1971  | Purchase | 207762 | 2.48 |
|    |   |        |      | 20.03.2020 | 4238  | Purchase | 212000 | 2.53 |
|    |   |        |      | 27.03.2020 | 3500  | Purchase | 215500 | 2.57 |
| 7  | T V Subba Rao                                     | 95000  | 1.13 | -          | -     | -        | 95000  | 1.13 |
| 8  | Subramanian P                                     | 71600  | 0.86 | 08.11.2019 | 71600 | Sale     | 0      | 0.00 |
| 9  | Ravikant Chowdhary<br>JT1 : Rajshree<br>Chowdhary | 64548  | 0.77 | -          | -     | -        | 64548  | 0.77 |
| 10 | Sangeetha S                                       | 0      | 0.00 | 08.11.2019 | 71600 | Purchase | 71600  | 0.86 |



**(v) Shareholding of Directors and Key Managerial Personnel**

| S.No. | G.S. Anilkumar  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|---|---|----------------------------------|---|----------------------------------|
|       |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|       | At the beginning of the year  | 32550                                     | 0.39                             | 32550                                   | 0.39                             |
|       | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | -   | -                                | -                                       | -                                |
|       | At the End of the year  | 32550                                     | 0.39                             | 32550                                   | 0.39                             |

| S.No. | GPN Gupta   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|---|---|----------------------------------|---|----------------------------------|
|       |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|       | At the beginning of the year  | 115873                                    | 1.38                             | 115873                                  | 1.38                             |
|       | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | -   | -                                | -                                       | -                                |
|       | At the End of the year  | 115873                                    | 1.38                             | 115873                                  | 1.38                             |

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. in lakhs)**

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 4910.47                          | 238.28          | -        | 5148.75            |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>4910.47</b>                   | <b>238.28</b>   | <b>-</b> | <b>5148.75</b>     |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| • Addition   | 9.96                             | 193             | -        | 202.96             |
| • Reduction  | (986.18)                         | (152.78)        | -        | (1138.96)          |

|  |                 |               |          |                |
|--|-----------------|---------------|----------|----------------|
| <b>Net Change</b>                                    | <b>(976.22)</b> | <b>40.22</b>  | <b>-</b> | <b>(936)</b>   |
| <b>Indebtedness at the end of the financial year</b> |                 |               |          |                |
| i) Principal Amount                                  | 3934.25         | 278.50        | -        | 4212.75        |
| ii) Interest due but not paid                        | -               | -             | -        | -              |
| iii) Interest accrued but not due                    | -               | -             | -        | -              |
| <b>Total (i+ii+iii)</b>                              | <b>3934.25</b>  | <b>278.50</b> | <b>-</b> | <b>4212.75</b> |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amt. in lakhs)

| S. No. | Particulars of Remuneration  | Name of MD/WTD/Manager |                    | Total Amount |
|--------|--|------------------------|--------------------|--------------|
|        |  | Sri G.P.N.Gupta        | Sri G.S.Anil Kumar |              |
| 1.     | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 12.00                  | 16.32              | 28.32        |
|        |  | 0.00                   | 0.00               | 0.00         |
|        |  | 0.00                   | 0.00               | 0.00         |
| 2.     | Stock Option   | 0.00                   | 0.00               | 0.00         |
| 3.     | Sweat Equity   | 0.00                   | 0.00               | 0.00         |
| 4.     | Commission<br>- as % of profit<br>- others   | 0.00                   | 0.00               | 0.00         |
| 5.     | Others – Retirement Benefits   | 0.00                   | 1.53               | 1.53         |
|        | <b>Total (A)</b>   | <b>12.00</b>           | <b>17.85</b>       | <b>29.85</b> |
|        | Ceiling as per the Act   | 84.00                  | 84.00              |              |

B. Remuneration to other directors: (Amt. in lakhs)

| S. No. | Particulars of Remuneration                    | Name of Directors       |                  |                       |                   | Total Amt    |
|--------|--|-------------------------|------------------|-----------------------|-------------------|--------------|
|        |  | Sri M.V. Ananthakrishna | Rajendra Kumar P | Smt. Renuka Mohan Rao | Smt. S Subhashini |              |
|        | Independent Directors                          |                         |                  |                       |                   |              |
|        | • Fee for attending board / committee meetings | 0.00                    | 0.40             | 0.90                  | 1.00              | 2.30         |
|        | • Commission                                   | -                       | -                | -                     | -                 | -            |
|        | • Others                                       | -                       | -                | -                     | -                 | -            |
|        | <b>Total (B)</b>                               | <b>0.00</b>             | <b>0.40</b>      | <b>0.90</b>           | <b>1.00</b>       | <b>2.30</b>  |
|        | Total Managerial Remuneration (A+B)            | -                       | -                | -                     | -                 | <b>32.15</b> |



|                                |  |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|--|
| Overall Ceiling as per the Act |  |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|--|

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

| S.No. | Particulars of Remuneration  | Key Managerial Personnel |          |
|-------|--|--------------------------|----------|
|       |  | CS                       | Total    |
| 1.    | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 5.25<br>-<br>-           |          |
| 2.    | Stock Option   | -                        | -        |
| 3.    | Sweat Equity   | -                        | -        |
| 4.    | Commission<br>- as % of profit<br>- others   | -                        | -        |
| 5.    | Others   | -                        | -        |
|       | <b>Total</b>   | <b>5.25</b>              | <b>-</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |

For and on behalf of the Board

**RENUKA MOHAN RAO**  
Chairman  
DIN: 07542045

Place : Chennai  
Date : 22.06.2020

## ANNEXURE - III

**INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014****A. CONSERVATION OF ENERGY**

Company continues to put all the efforts in conserving and optimizing the use of energy. The effort has benefited in savings to the Company and in protecting the environment around its units. The followings measures are in place to optimize the energy consumption.

1. Use of energy efficient LED lights.
2. Re-use of treated water.
3. Rain water harvesting.
4. Optimization of the operations etc..

All efforts made to conserve and optimize use of energy are continuously monitored and maintained to ensure maximum energy savings.

The Total energy consumption per unit of production is as follows:-

| S.No | Particulars                                     | 2019-20  | 2018-19  |
|------|---|----------|----------|
| A    | Power and Fuel Consumption                      |          |          |
| 1    | Electricity (includes from TNEB, Wind and Coal) |          |          |
|      | <b>(a) Purchased</b>                            |          |          |
|      | Unit  | 4987093  | 5691136  |
|      | Total amount                                    | 33351127 | 39451876 |
|      | Rate/unit                                       | 6.69     | 6.93     |
|      | <b>(d) Through diesel generator</b>             |          |          |
|      | Unit  | 79620    | 156057   |
|      | Unit per liter of Diesel oil                    | 3.00     | 3.00     |
|      | Cost/unit                                       | 22.39    | 23.79    |
|      | Diesel (in liters)                              | 26540    | 52019    |

**B. RESEARCH AND DEVELOPMENT (R&D)**

| S.No | Particulars   | 2019-20           | 2018-19 |
|------|---|-------------------|---------|
| A    | <b>Expenditure on R &amp; D:</b>                        | (Rupees in lakhs) |         |
| B    | Capital Expenditure                                     | Nil               | Nil     |
| C    | Revenue   | 29.12             | -       |
|      | <b>Total</b>  | -                 | -       |
| D    | Total R&D expenditure as a percentage of total turnover | 0.314             | -       |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

| S.No     | Particulars                      | 2019-20           | 2018-19       |
|----------|----------------------------------|-------------------|---------------|
| <b>A</b> | <b>Foreign exchange outgo</b>    | (Rupees in lakhs) |               |
|          | CIF value of Imports             | 386.79            | 589.58        |
|          | ii) Travel                       | 0.13              | -             |
|          | iii) Commission for export sales | -                 | 3.67          |
|          | iv) Testing Charges              | 1.15              | 1.55          |
|          | <b>Total</b>                     | <b>388.07</b>     | <b>597.80</b> |
|          | <b>Foreign exchange Earned</b>   |                   |               |
|          | FOB Value of Exports             | 3809.85           | 4742.72       |

For and on behalf of the Board

**RENUKA MOHAN RAO**  
Chairman  
DIN: 07542045

Place : Chennai  
Date : 22.06.2020





## ANNEXURE - IV

### Secretarial Audit Report for the financial year ended 31.03.2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Jumbo Bag Limited  
S.K. Enclave, New No. 4 (Old No.47)  
Nowroji Road, Chetpet,  
Chennai - 600 031

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jumbo Bag Limited (hereinafter called the company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have also examined the following with respect to the SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019(Regulation 24A of SEBI(LODR)).

- a) all the documents and records made available to us and explanation provided by Jumbo Bag Limited ("the Listed Entity"),
- b) the filings/submissions made by the Listed Entity to the Stock Exchanges,
- c) website of the listed entity,
- d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Jumbo Bag Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:
  - i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015;

We hereby report that

- a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except as specified below.
- b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- c. There were no actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder.

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

- (i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

In our opinion and as identified and informed by the Management, the following laws are specifically applicable to the Company as the company is engaged in manufacturing of bags and other allied products except the following identified by the Management:

1. Indian Boilers Act, 1923 and Rules made thereunder.
2. The Petroleum Act, 1934 and Rules and Regulations made thereunder
3. Hazardous waste (Management, Handling and Trans boundary Movement) Rules, 2008.
4. Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder
5. Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
6. Environment (Protection) Act, 1986 and Rules made thereunder
7. Legal Metrology Act, 2009 and Rules made thereunder

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines as mentioned above except to the extent of Compliance given in point (e) mentioned in the events below.

We further report that there were no actions/events in the pursuance of

1. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
6. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



requiring compliance thereof by the Company during the Financial Year under review.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and control mechanism exist in the Company to monitor and ensure compliance with other applicable general laws including Human Resources and Labour laws.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory financial auditor and other designated professionals.

We further report that

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

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period no events have occurred, which have a major bearing on the Company's affairs, except the following:

- a. Mr. Rajendra Kumar has been appointed as Independent Director of the Company from May 01, 2019 for a period of five Consecutive years on receipt of Shareholders approval in the Annual General Meeting held on 31<sup>st</sup> July, 2019
- b. Mr. Anantha Krishna has tendered his resignation from Independent Director with effect from 30<sup>th</sup> April, 2019.
- c. The Company has availed credit facility of Rs. 5,58,000 ( Rupees Five lakh Fifty Eight Thousand only) from Axis Bank Limited for purchase of Car.
- d. The Company has decided to close its manufacturing activities and units situated at Peruvoyal Village, Thiruvallur District and the same shall be relocated to Company's existing facilities or will be given to satellite units and production will be outsourced
- e. The Company has received Show Cause Notice dated 07<sup>th</sup> February, 2020 under Section 124 and 125 of the Companies Act, 2013 for non-transfer of shares to Investor Education and protection Fund from Ministry of Corporate Affairs. The Company has made a reply to Ministry of Corporate Affairs that shares shall be transferred to Suspense Account on or before 24<sup>th</sup> May, 2020 in compliance with Companies Act, 2013. However due to Nation Wide lockdown, the Company is in the process of transferring Shares to IEPF suspense Account as stated in its Reply to Ministry of Corporate Affairs.
- f. Litigation against Insurance Companies on the claim due to Fire Accident is still pending.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

**Lakshmmi Subramanian**  
**Senior Partner**  
**FCS No. 3534**  
**C.P.NO. 1087**

**Place: Chennai**  
**Date : 22.6.2020**

**ANNEXURE – A**

To,  
The Members  
Jumbo Bag Limited  
S.K. Enclave, New No. 4 (Old No.47),  
Nowroji Road, Chetpet,  
Chennai - 600 031

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

**Lakshmmi Subramanian**

**Senior Partner**

**FCS No. 3534**

**C.P.NO. 1087**

**UDIN: F003534B000434822**

**Place: Chennai**

**Date : 22.6.2020**



**INDEPENDENT AUDITORS' REPORT**

**To the Members of Jumbo Bag Limited**

**Opinion**

We have audited the accompanying financial statements of Jumbo Bag Limited, which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the company as at March 31, 2020; and its Profit after Tax, Total Comprehensive Income, the changes in Equity, and Cash Flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Sl. No | Key Audit Matter   | Auditors' Response   |
|--------|--|--|
| 1      | <p>Revenue Recognition – Sale of goods</p> <p>Revenue from sale of goods is recognized when the control of goods is transferred to the customers. In terms of the application of the new revenue accounting standard Ind AS 115 (Revenue from Contracts with Customers), for some contracts, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms. The Management has exercised judgement in applying the revenue accounting policy while recognising revenue.</p> | <p>We have performed the following principal audit procedures in relation to revenue recognised.</p> <ul style="list-style-type: none"> <li>• Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to revenue recognised.</li> <li>• Selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.</li> <li>• In respect of the selected sample of transactions:</li> <li>• Tested whether the revenue is recognised upon transfer of control to customer.</li> </ul> |

|   |   |   |
|---|---|---|
|   |   | <ul style="list-style-type: none"> <li>• We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period.</li> <li>• We have also tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.</li> <li>• Tested that the revenue recorded is after considering the applicable rebates and discounts.</li> <li>• For samples near to period end, tested the acknowledgments of customers.</li> </ul>   |
| 2 | <p><b>Property, Plant and Equipment</b></p> <p>Management judgement is utilised for determining the carrying value of property, plant and equipment, intangible assets and their respective depreciation/ amortization rates. These include the decision to capitalise or expense costs; the annual asset life review; the timelines of the capitalisation of assets and the measurement and recognition criteria for assets retired from active use. Please refer accounting policy.</p> | <p>We have done verification of controls in place over the fixed assets cycle, evaluated the appropriateness of capitalisation process, performed tests to verify the capitalised costs, assessed the timelines of the capitalisation of the assets and assessed the derecognition criteria for assets retired from active use.</p> <p>Useful life review of assets has been assessed by the management. In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalised; determination of realizable value of the assets retired from active use; the appropriateness of asset lives applied in the calculation of depreciation/ amortization; and the useful lives of assets prescribed in Schedule II of the Companies Act, 2013.</p> |
| 3 | <p><b>Provisions and Contingent Liabilities</b></p> <p>The Company is involved in certain legal and tax disputes and the assessment of the risks associated with the litigations is based on Management assumptions, which require the use of judgment and such judgment relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings.</p>  | <p>Our audit procedure in response to same is included, among others,</p> <ul style="list-style-type: none"> <li>• Assessment of the process to identify legal and tax litigations, and pending administrative proceedings.</li> <li>• Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings/judgement in similar cases.</li> <li>• Analysis of opinion received from the tax consultant where available.</li> <li>• Review of the adequacy of the disclosures in the notes to the financial statements.</li> </ul>   |

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's report, Management discussion and analysis and Report on corporate governance, but does not include the standalone financial statements and our auditor's report thereon.

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



In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law and Accounting standards, for material foreseeable losses, if any, on long-term contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Company.

For **J. V. RAMANUJAM & Co.,**  
**Chartered Accountants**  
**FRN: 02947S**

**Place : Chennai**  
**Date : 22nd June, 2020**

**(J VEDANTHA RAMANUJAM)**  
**Partner, M. No: 022188**  
**UDIN: 20022188AAAADD6300**





## **"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of Jumbo Bag Limited ("the Company"), for the year ended March 31, 2020)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment (PPE).
- (b) According to the information and explanations given to us, physical verification of PPE is being conducted in a phased manner by the management under a programme designed to cover all the PPE over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the PPE has been physically verified by the management during the year and no material discrepancies between the books records and the physical PPE have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii) (a) The management has conducted the physical verification of inventory at reasonable intervals during the year. We are informed that no major discrepancies were noticed on verification between the physical stock and book records.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- iii) According to the information given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clauses (iii) (a), (iii) (b) and (iii)(c) of Paragraph 3 of the Order are not applicable to the Company.
- iv) The Company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from public during the year hence the directives issued by RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2015, are not applicable.
- vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of Cost Records under sub-section (1) of section 148 of the Act.
- vii) (a) According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues were outstanding as at March 31, 2020 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 particulars of dues of Excise Duty, and Sales Tax which have not been deposited with the appropriate authorities on account of any dispute are as follows:

## EXCISE DUTY/ SERVICE TAX:

Rs. in lakhs

| SI No. | Name of the Statute | Nature of Dues  | Demand (incl Penalty) | Amount Not provided | Forum where the dispute is pending   |
|--------|---------------------|---|-----------------------|---------------------|--|
| 1      | Excise Duty         | Third Party Export On Payment Of Duty Refund Sanctioned & Duty Demanded | 2.77                  | 2.77                | Appeal filed in the High Court at Chennai on 6/7/2011  |
| 2      | Excise Duty         | Rebate Claim Original Docs Missed-Unit-2                                | 3.55                  | 3.55                | Case closed & Order passed in our favor , but Dept has filed review petition before The Secretary, Government Of India |
| 3      | Income Tax Act      | Notice u/s 148 Scrutiny /C C IV (2)/11-12 dt. 01.08.2011 for AY 2005-06 | 39.85                 | 39.85               | Appeal made with CIT   |
| 4      | Income Tax Act      | Notice u/s 148 Scrutiny /C C IV (2)/11-12 dt. 01.08.2011 for AY 2006-07 | 16.24                 | 16.24               | Appeal made with CIT   |
| 5      | Income Tax Act      | Notice u/s 143/(3) dt 14.03.14 – AY 2011-12                             | 53.38                 | 53.38               | Appeal made with CIT   |
| 6      | Income Tax Act      | Order passed u/s 154 dt 14.02.2017 – AY 2013-14                         | 4.99                  | 4.99                | Appeal was filed before the CIT (18) Chennai -34   |
|        |                     | <b>TOTAL</b>  | <b>120.78</b>         | <b>120.78</b>       |  |

- viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, or dues to debenture holders
- ix) Based on our audit procedures and according to the information and explanations given to us, the Company did not raise any money by way of further public offer (including debt instruments) during the year. According to the information and explanations given by the management, term loans were applied for the purpose for which the loans were obtained.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii) In our opinion, the company is not a Nidhi Company. Therefore clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, and therefore clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.



- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **J. V. RAMANUJAM & Co.,**  
**Chartered Accountants**  
**FRN: 02947S**

**Place : Chennai**  
**Date : June 22, 2020**

**(J VEDANTHA RAMANUJAM)**  
**Partner, M. No: 022188**  
**UDIN: 20022188AAAADD6300**

## **“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Jumbo Bag Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of M/s Jumbo Bag Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over



financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and jointly controlled companies, which are companies incorporated in India, as of that date.

For **J. V. RAMANUJAM & Co.,**  
**Chartered Accountants**  
**FRN: 02947S**

**Place : Chennai**  
**Date : June 22, 2020**

**(J VEDANTHA RAMANUJAM)**  
**Partner, M. No: 022188**  
**UDIN: 20022188AAAADD6300**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2020**

(Rs. in Lakhs)

| Particulars                         | Note | As at<br>31 <sup>st</sup> March 2020<br>(Ind AS) | As at<br>31 <sup>st</sup> March 2019<br>(Ind AS) |
|-------------------------------------|------|--|--|
| <b>ASSETS</b>                       |      |  |  |
| <b>Non-current assets</b>           |      |  |  |
| (a) Property, Plant and Equipment   | 2.1  | 2,619.36   | 2,652.55   |
| (b) Capital Work-In-Progress        |      | -  | 20.87  |
| (c) Financial Assets                |      | -  | -  |
| i) Investments                      | 2.2  | 2.45   | 2.57   |
| ii) Loans                           | 2.3  | 145.31   | 140.87   |
| (d) Other Non-current Assets        | 2.4  | 399.33   | 391.00   |
|                                     |      | <b>3,166.45</b>                                  | <b>3,207.86</b>                                  |
| <b>Current Assets</b>               |      |  |  |
| (a) Inventories                     | 2.5  | 2,439.36   | 2,483.25   |
| (b) Financial Assets                |      |  |  |
| i) Trade receivables                | 2.6  | 2,250.71   | 3,079.09   |
| ii) Cash and cash equivalents       | 2.7  | 145.60   | 162.07   |
| iii) Loans                          | 2.8  | 310.98   | 764.51   |
| (c) Other Current Assets            | 2.9  | 210.30   | 210.30   |
| (d) Assets held for Sale            | 2.10 | 77.08  | 64.08  |
|                                     |      | <b>5,434.03</b>                                  | <b>6,763.30</b>                                  |
| <b>Total Assets</b>                 |      | <b>8,600.48</b>                                  | <b>9,971.16</b>                                  |
| <b>EQUITY AND LIABILITIES</b>       |      |  |  |
| <b>Equity</b>                       |      |  |  |
| (a) Equity Share Capital            | 2.11 | 878.17   | 878.17   |
| (b) Other Equity                    | 2.12 | 2,151.32   | 2,055.20   |
|                                     |      | <b>3,029.49</b>                                  | <b>2,933.37</b>                                  |
| <b>Liabilities</b>                  |      |  |  |
| <b>Non-Current Liabilities</b>      |      |  |  |
| (a) Financial liabilities           |      |  |  |
| (i) Borrowings                      | 2.13 | 39.85  | 199.25   |
| (b) Provisions                      | 2.14 | 0.68   | 1.01   |
| (c) Deferred Tax Liabilities (net)  | 2.15 | 183.31   | 205.09   |
| (d) Other Non-current liabilities   | 2.16 | 330.12   | 140.92   |
|                                     |      | <b>553.96</b>                                    | <b>546.27</b>                                    |
| <b>Current Liabilities</b>          |      |  |  |
| (a) Financial liabilities           |      |  |  |
| i) Borrowings                       | 2.17 | 3,859.07   | 4,838.63   |
| ii) Trade payables                  | 2.18 | 913.16   | 1,412.31   |
| (b) Provisions                      | 2.19 | 192.26   | 194.39   |
| (c) Other current liabilities       | 2.20 | 52.54  | 46.19  |
|                                     |      | <b>5,017.03</b>                                  | <b>6,491.52</b>                                  |
| <b>Total Equity and Liabilities</b> |      | <b>8,600.48</b>                                  | <b>9,971.16</b>                                  |

Significant accounting policies &amp; Notes to accounts 1 to 17

The schedule referred to above form an integral part of these financial statements

As per our report attached

For and on behalf of the Board

for **J.V.RAMANUJAM & CO**

Chartered Accountants

Firm's registration no. 002947S

**J. VEDANTHA RAMANUJAM**

Partner

Membership No. 022188

Place: Chennai

Date: 22.06.2020

**G S ANIL KUMAR**

Managing Director

DIN:00080712

**GPN GUPTA**

WTD &amp; CFO

DIN: 00086174

**R.PRAMOD KUMAR**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(Rs. in Lakhs)

| Particulars  | Note | For the year ended March 31, 2020 (Ind AS) | For the year ended March 31, 2019 (Ind AS) |
|--|------|--|--|
| Revenue from operations  | 2.21 | 9,184.47                                   | 11,746.96                                  |
| Other income   | 2.22 | 72.97                                      | 34.20                                      |
| <b>Total Income</b>  |      | <b>9,257.44</b>                            | <b>11,781.16</b>                           |
| <b>Expenses</b>  |      |  |  |
| Cost of materials consumed   | 2.23 | 5,375.97                                   | 6,839.03                                   |
| Changes in inventories and finished goods  | 2.24 | 32.84                                      | 102.94                                     |
| Employee benefits expenses   | 2.25 | 1,051.67                                   | 1,110.11                                   |
| Excise duty  |      | -  | -  |
| Depreciation and amortization expense  | 2.1  | 180.39                                     | 178.57                                     |
| Finance costs  | 2.26 | 340.35                                     | 399.13                                     |
| Other expenses   | 2.27 | 2,162.80                                   | 2,900.78                                   |
| <b>Total expenses</b>  |      | <b>9,144.02</b>                            | <b>11,530.56</b>                           |
| <b>Profit / (loss) before exceptional items and tax</b>                          |      | <b>113.42</b>                              | <b>250.60</b>                              |
| Exceptional items  | 2.28 | -  | (151.18)                                   |
| <b>Profit / (loss) before tax</b>  |      | <b>113.42</b>                              | <b>99.42</b>                               |
| Current tax  |      | 39.08                                      | 35.85                                      |
| Less: Tax adjustment of Prvs year  |      | -  | (0.60)                                     |
| Deferred tax   |      | (21.78)                                    | (38.78)                                    |
| <b>Total tax expense</b>   |      | <b>17.30</b>                               | <b>(3.53)</b>                              |
| <b>Profit / (loss) for the year</b>  |      | <b>96.12</b>                               | <b>102.95</b>                              |
| Other comprehensive income   |      | -  | -  |
| Items that will not be reclassified subsequently to (profit) or loss             |      | -  | (12.26)                                    |
| Remeasurements of defined benefit liability (asset)                              |      | -  | (12.26)                                    |
| Net other comprehensive income not to be reclassified to profit or loss          |      | -  | -  |
| Items that will be reclassified subsequently to profit or loss                   |      | -  | -  |
| Others (specify nature)  |      | -  | -  |
| Net other comprehensive income to be reclassified subsequently to profit or loss |      | -  | -  |
| Other comprehensive income for the year, net of income tax                       |      | -  | (12.26)                                    |
| Total comprehensive income / (loss) for the year                                 |      | 96.12                                      | 90.69                                      |
| Earnings per share   |      |  |  |
| Basic earnings per share   |      | 1.15                                       | 1.23                                       |
| Diluted earnings per share   |      | 1.15                                       | 1.23                                       |

Significant accounting policies &amp; Notes to accounts 1 to 17

The schedule referred to above form an integral part of these financial statements

As per our report attached

For and on behalf of the Board

for **J.V.RAMANUJAM & CO**

Chartered Accountants

Firm's registration no. 002947S

**J. VEDANTHA RAMANUJAM**

Partner

Membership No. 022188

Place: Chennai

Date: 22.06.2020

**G S ANIL KUMAR**

Managing Director

DIN:00080712

**GPN GUPTA**

WTD &amp; CFO

DIN: 00086174

**R.PRAMOD KUMAR**

Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2020**

Rs. in lakhs

| <b>(A) Equity share capital</b>      | <b>Opening balance as at 1 Apr 2019</b> | <b>Changes in equity share capital during the year</b> | <b>Closing balance as at 31 Mar 2020</b> |
|--------------------------------------|---|--|--|
| 8373700 Equity shares of Rs.10 each  | 837.37                                  | -  | 837.37                                   |
| 408000 forfeited shares @ Rs.10 each | 40.80                                   | -  | 40.80                                    |
|                                      | 878.17                                  | -  | 878.17                                   |

Rs. in lakhs

| <b>(B) Other Equity</b>   | <b>Opening balance as at 1 Apr 2019</b> | <b>Changes in accounting policy/ prior period errors</b> | <b>Restated balance as at 1 April 2019</b> | <b>Total comprehensive income for the year</b> | <b>Dividends</b> | <b>Transfer to retained earnings</b> | <b>Any other change (to be specified)</b> | <b>Closing balance as at 31 Mar 2020</b> |
|---|---|--|--|--|------------------|--------------------------------------|---|--|
| Equity component of other financial instrument                          |   |  |  |  |                  |                                      |   |  |
| <b>Reserves</b>   |   |  |  |  |                  |                                      |   |  |
| Capital Reserves  | 196.33                                  | -  | 196.33                                     | -  | -                | -                                    | -   | 196.33                                   |
| Capital Redemption Reserves   | 86.75                                   | -  | 86.75                                      | -  | -                | -                                    | -   | 86.75                                    |
| Securities premium A/c.   | 294.45                                  | -  | 294.45                                     | -  | -                | -                                    | -   | 294.45                                   |
| General Reserves  | 37.43                                   | -  | 37.43                                      | -  | -                | -                                    | 5.83                                      | 43.26                                    |
| Revaluation Reserves  | 1,276.69                                | -  | 1,276.69                                   | -  | -                | -                                    | (5.83)                                    | 1,270.86                                 |
| Other comprehensive income / loss                                       | (46.47)                                 | -  | (46.47)                                    | -  | -                | -                                    | -   | (46.47)                                  |
| Surplus / (deficit) balance in the statement of profit and loss account | 210.02                                  | -  | 210.02                                     | 96.12  | -                | -                                    | -   | 306.14                                   |
| <b>Total reserves</b>   | <b>2,055.20</b>                         | <b>-</b>   | <b>2,055.20</b>                            | <b>96.12</b>                                   | <b>-</b>         | <b>-</b>                             | <b>0.00</b>                               | <b>2,151.32</b>                          |

As per our report of even date attached

For and on behalf of the Board

for **J.V.RAMANUJAM & CO**  
Chartered Accountants  
Firm's registration no. 002947S

**J. VEDANTHA RAMANUJAM**  
Partner  
Membership No. 022188

**G S ANIL KUMAR**  
Managing Director  
DIN:00080712

**GPN GUPTA**  
WTD & CFO  
DIN: 00086174

Place: Chennai  
Date: 22.06.2020

**R.PRAMOD KUMAR**  
Company Secretary

Any part of the reserves presented under Equity Instruments through other comprehensive income which is realised in cash shall be disclosed separately.

@ - Debit balance of Statement of Profit and loss shall be shown as a negative figure under the head 'Retained Earnings'.



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****(Pursuant to clause 32 of the Listing Agreement)**

(Rs. in Lakhs)

|   | Apr'19 to Mar'20 |                 | Apr'18 to Mar'19 |                 |
|---|------------------|-----------------|------------------|-----------------|
| <b>A Cash Flow from Operating Activities :</b>        |                  |                 |                  |                 |
| <b>Profit before tax</b>                              |                  | 113.42          |                  | 99.42           |
| Adjustments for :                                     |                  |                 |                  |                 |
| Prior period adjustments - Profit / (Loss)            | -                |                 | -                |                 |
| Depreciation  | 180.39           |                 | 178.57           |                 |
| Deferred tax liabilities (net)                        | (21.78)          |                 | (38.78)          |                 |
| Foreign exchange (gains)/Losses                       | -                |                 | -                |                 |
| (Profit) / Loss on sale of asset                      | (9.92)           |                 | 26.53            |                 |
| Interest Expenses                                     | 340.35           |                 | 399.13           |                 |
| Interest Income                                       | (18.81)          |                 | (17.25)          |                 |
|   |                  | 470.23          |                  | 548.20          |
| <b>Operating profit before working capital</b>        |                  | 583.65          |                  | 647.62          |
| Adjustments for Changes in                            |                  |                 |                  |                 |
| Trade payables - Increase / (Decrease)                | (499.15)         |                 | (400.78)         |                 |
| Long term provisions- Increase / (Decrease)           | (0.33)           |                 | (38.87)          |                 |
| Short term provisions - Increase / (Decrease)         | (2.13)           |                 | (205.92)         |                 |
| Other current liabilities- Increase / (Decrease)      | (3.61)           |                 | (22.19)          |                 |
| Other long term liabilities - Increase / (Decrease)   | 210.98           |                 | 36.98            |                 |
| Trade receivables - (increase) / Decrease             | 828.38           |                 | (279.59)         |                 |
| Inventories - (increase) / Decrease                   | 43.89            |                 | 42.27            |                 |
| Long term Loans and advances - (Increase) / Decrease  | (4.44)           |                 | (2.22)           |                 |
| Short term loans and advances - (increase) / Decrease | 453.53           |                 | (34.07)          |                 |
| Other current assets - (increase) / Decrease          | (13.00)          |                 | -                |                 |
| Other non current assets - (increase) / Decrease      | (8.33)           |                 | 379.32           |                 |
|   |                  | 1,005.78        |                  | (525.07)        |
| Cash generated from operations                        |                  | 1,589.43        |                  | 122.55          |
| Income taxes paid (Net of refunds)                    |                  | (39.08)         |                  | (35.25)         |
| <b>Net Cash from Operating activities</b>             |                  | <b>1,550.35</b> |                  | <b>87.30</b>    |
| <b>B Cash Flow from Investing Activities :</b>        |                  |                 |                  |                 |
| Purchase of fixed assets / WIP                        | (116.41)         |                 | (128.23)         |                 |
| Proceeds from sale of fixed assets                    | -                |                 | -                |                 |
| Purchase of Investments                               | 0.12             |                 | 3.29             |                 |
| Sale of investments                                   | -                |                 | -                |                 |
|   |                  | (116.29)        |                  | (124.94)        |
| <b>Net cash used in Investing Activities</b>          |                  | <b>(116.29)</b> |                  | <b>(124.94)</b> |

|   | Apr'19 to Mar'20 |                   | Apr'18 to Mar'19 |                |
|---|------------------|-------------------|------------------|----------------|
| <b>C Cash Flow from Financing Activities :</b>                  |                  |                   |                  |                |
| Proceeds from issuance of Share Capital                         | -                |                   | -                |                |
| Proceeds from Share premium                                     | -                |                   | -                |                |
| Proceeds / (Repayment) of Long Term borrowings                  | -                |                   | (46.26)          |                |
| Borrowings for working capital purposes                         | (979.56)         |                   | 267.82           |                |
| Finance / Lease Liabilities - Increase / (Decrease)             | (149.43)         |                   | 124.63           |                |
| Investment in Subsidiaries                                      | -                |                   | -                |                |
| Interest Expenses   | (340.35)         |                   | (399.13)         |                |
| Interest Income   | 18.81            |                   | 17.25            |                |
| Dividend paid (Including Tax on dividend)                       | -                |                   | -                |                |
|   |                  | (1,450.53)        |                  | (35.69)        |
| <b>Net cash used in Financing Activities</b>                    |                  | <b>(1,450.53)</b> |                  | <b>(35.69)</b> |
| <b>D Net Increase in Cash and Cash Equivalents (A+B+C)</b>      |                  | <b>(16.47)</b>    |                  | <b>(73.33)</b> |
| Cash and Cash equivalents as at 01.04.2019                      |                  | 162.07            |                  | 235.40         |
| Cash and Cash equivalents as at 31.03.2020                      |                  | 145.60            |                  | 162.07         |
| <b>E Net (Increase) / Decrease in Cash and Cash Equivalents</b> |                  | <b>16.47</b>      |                  | <b>73.33</b>   |

As per our report of even date

for **J.V.RAMANUJAM & CO**  
Chartered Accountants  
Firm's registration no. 002947S

**J. VEDANTHA RAMANUJAM**  
Partner  
Membership No. 022188

Place: Chennai  
Date: 22.06.2020

For and on behalf of the Board

**G S ANIL KUMAR**  
Managing Director  
DIN:00080712

**GPN GUPTA**  
WTD & CFO  
DIN: 00086174

**R.PRAMOD KUMAR**  
Company Secretary



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 1

#### 1.1 CORPORATE INFORMATION

Jumbo Bag Limited is a part of BLISS Group. Jumbo Bag Ltd. was established in the year 1990 with an initial capacity of 720,000 jumbo bags (FIBCs).

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.2 Basis of Accounting and Preparation of Financial Statements

#### 1.3 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

#### 1.4 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on above basis, except for lease transactions that are within the scope of Ind AS 116 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**The principal accounting policies are set out below -**

#### 1.5 Property, Plant and Equipment (PPE)

- a) Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.
- b) Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
- c) Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

- d) Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

- e) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular are capitalized and depreciated over the residual useful life of the respective assets.
- f) Individual assets whose cost is less than Rs. 5,000 are fully depreciated.
- g) Leasehold land / Improvements thereon are amortized over the primary period of lease.
- h) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as deemed cost as of the transition date.

### 1.6 Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Intangible assets comprising of software is amortised over estimated useful life of 4 years.

#### **De-recognition of intangible assets:**

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### **Investments in associates and joint ventures**

An associate is entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of parties sharing control.

### 1.7 Inventories

Inventories are valued at the lower of cost and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable



value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. In case of raw materials and traded goods, cost (net of CENVAT/ VAT/ GST credits wherever applicable) is determined on a moving weighted average basis.

## **1.8 Cash and cash equivalents (for the purpose of cash flow statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **1.9 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **1.10 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, taxes on sales, estimated rebates and other similar allowances.

i) Revenue from sale of goods is recognized when the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership of the goods to the buyer which generally coincides with the delivery of goods,
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Service income is recognised on completion of service.

## **1.11 Other Income**

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## **1.12 Foreign currency transactions and translations**

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which

settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

### 1.13 Government grants, subsidies and export incentives

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

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Revenue grant is recognised as an income in the period in which related obligation is met.

Export Incentives earned in the year of exports are treated as income and netted off from cost of raw material imported.

### 1.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

### 1.15 Employee benefits

Employee benefits include wages & salaries, provident fund, employee state insurance scheme, gratuity fund and Superannuation.

#### a. Defined contribution plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### b. Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### c. Other Short-term and long-term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 1.16 Segment reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss)



amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

## 1.17 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed.

The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Company, as a lessor, classifies a lease either as an operating lease or a finance lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

## 1.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 1.19 Taxes on income

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

#### Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of the country in which the respective entities in the Company are incorporated. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and Deferred tax for the year

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

#### Mat Credit

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

### 1.20 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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





If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 1.21 Provisions

A provision is recognized when the Company has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the expected cost of sales related obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

*Warranties:* Provisions for the expected cost of warranty obligations under the local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors best estimate of the expenditure required to settle the Company's obligation.

## 1.22 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 1.23 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 1.23.1 Classification of financial asset

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (FVTPL) (except for investments that are designated as at fair value through profit or loss on initial recognition:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

### 1.23.2 Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the Other Income.

### 1.23.3 Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 1.23.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the other income line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 1.23.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other



contractual rights to receive cash or other financial assets, and financials guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 - Revenue, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

### **1.23.6 De-recognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

## 1.24 Financial Liabilities And Equity Instruments

### 1.24.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 1.24.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### 1.24.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

### 1.24.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

### 1.24.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 1.25 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

## 1.26 Hedge Accounting

The company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.



## Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e. not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to profit or loss as a reclassification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect profit or loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of an option.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

### 1.27 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 1.28 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### 1.29 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2. NOTES ON ACCOUNTS**

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

**2.1 PROPERTY, PLANT & EQUIPMENT**

Rs. in lakhs

| Description                        | Gross Block        |           |          |           |                   |  | Depreciation for April 19 to Mar 20           |  |                                | Net block         |                   |
|------------------------------------|--------------------|-----------|----------|-----------|-------------------|--|---|--|--------------------------------|-------------------|-------------------|
|                                    | As at 1 April 2019 | Additions | Deletion | Sub total | As at 31 Mar 2020 | Accumulated Depreciation 1.4.2016 to 31.3.2019 | Depreciation charge for 1.4.2019 to 31.3.2020 | Revaluation charge for 1.4.2019 to 31.3.20 | Deductions / Other adjustments | As at 31 Mar 2020 | As at 31 Mar 2019 |
| Land                               |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Owned                              | 1,200.00           |           |          | 1,200.00  | 1,200.00          |  | -   |  |                                | 1,200.00          | 1,200.00          |
| Buildings                          |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Owned                              | 743.27             | 0.89      |          | 744.16    | 744.16            | 119.00   | 34.92   | 5.83                                       |                                | 159.75            | 584.41            |
| Assets and Lease                   |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Leasehold improvements             |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Plant and Equipment                |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Owned                              | 1,014.91           | 70.41     | 2.25     | 1,083.07  | 1,083.07          | 318.45   | 107.99  |  |                                | 426.44            | 656.63            |
| Assets under lease                 | 57.86              | 52.01     |          | 109.87    | 109.87            | 0.69   | 5.95  |  |                                | 6.64              | 103.23            |
|                                    |                    |           |          |           |                   |  |   |  |                                |                   | 57.17             |
| Furniture and Fixtures             |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Owned                              | 17.08              | 10.07     |          | 27.15     | 27.15             | 8.81   | 2.18  |  |                                | 10.99             | 16.16             |
| Assets under lease                 |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Vehicles                           |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Owned                              | 13.85              | -         |          | 13.85     | 13.85             | 9.04   | 2.65  |  |                                | 11.69             | 2.16              |
| Assets under lease                 | 22.49              | 5.27      | 7.79     | 19.97     | 19.97             | 6.58   | 2.07  |  | 7.79                           | 0.86              | 19.11             |
|                                    |                    |           |          |           |                   |  |   |  |                                |                   | 15.91             |
| Office equipment                   |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Owned                              | 60.12              | 9.52      |          | 69.64     | 69.64             | 31.66  | 16.09   |  |                                | 47.75             | 21.89             |
| Assets under lease                 |                    |           |          |           |                   |  |   |  |                                |                   | 28.46             |
| Electrical & Electronic equipments |                    |           |          |           |                   |  |   |  |                                |                   |                   |
| Owned                              | 32.72              | 1.29      |          | 34.01     | 34.01             | 15.52  | 2.72  |  |                                | 18.24             | 15.77             |
| Assets under lease                 |                    |           |          |           |                   |  |   |  |                                |                   | 17.20             |
|                                    |                    |           |          |           |                   |  |   |  |                                |                   |                   |
|                                    | 3,162.30           | 149.46    | 10.04    | 3,301.72  | 3,301.72          | 509.75   | 174.57  | 5.83                                       | 7.79                           | 682.36            | 2,619.36          |
|                                    |                    |           |          |           |                   |  |   |  |                                |                   | 2,652.55          |

**Capital work in progress**

Note:1. Revaluation of Fixed Assets as approved by the Board on 23.9.2015 has been given effect from 1st Jan 2016. 2) WDV as on 1.4.2016 considered as cost of asset as opening balance as per Ind AS

**2.2 Investments**

(Rs. in Lakhs)

| Particulars   | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---|----------------------|------------------------|
| Investment in Equity instruments- Unquoted-at cost                      |                      |                        |
| In Jumbo Bag LLC  | 2.28                 | 2.28                   |
| Engineered power resources india pvt Ltd., 1207 Shares @Rs.10 per share | -                    | 0.12                   |
| Investment on Scent trans pvt Ltd. 1708 shares @Rs.10 per share         | 0.17                 | 0.17                   |
|   | <b>2.45</b>          | <b>2.57</b>            |

**2.3 Loans**

(Rs. in Lakhs)

| Particulars                     | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---------------------------------|----------------------|------------------------|
| <b>Other loans and advances</b> |                      |                        |
| unsecured, considered good      |                      |                        |
| Security Deposit                | -                    | 39.30                  |
| Electricity & other deposits    | 82.35                | 63.22                  |
| Rental deposits                 | 62.77                | 38.16                  |
| Telephone deposits              | 0.19                 | 0.19                   |
|                                 | <b>145.31</b>        | <b>140.87</b>          |

**2.4 Other non current assets**

(Rs. in Lakhs)

| Particulars   | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---|----------------------|------------------------|
| <b>Long term trade receivables (including trade receivables on deferred credit terms)</b> |                      |                        |
| Unsecured, considered good  | 8.33                 | -                      |
| Unsecured, not considered good  | -                    | -                      |
| Provision for doubtful debts  | -                    | -                      |
| Insurance Claim Receivables on ( Stocks)  | 391.00               | 391.00                 |
|   | <b>399.33</b>        | <b>391.00</b>          |

**2.5 Inventories**

(Rs. in Lakhs)

| Particulars  | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|--|----------------------|------------------------|
| Raw Materials and components (Valued at lower of cost or Net Realisable value) | 254.94               | 260.45                 |
| Goods-in transit   | 105.75               | 12.07                  |

| Particulars   | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---|----------------------|------------------------|
| Net   | <b>360.69</b>        | <b>272.52</b>          |
| Work-in-progress (Valued at lower of cost or Net Realisable value)  | 1,703.85             | 1,720.33               |
| Net   | <b>1,703.85</b>      | <b>1,720.33</b>        |
| Finished goods (Valued at lower of cost or Net Realisable value)    | 292.16               | 401.34                 |
| Net   | <b>292.16</b>        | <b>401.34</b>          |
| Scrap (Valued at lower of cost or Net Realisable value)             | 0.32                 | 1.18                   |
|   | <b>0.32</b>          | <b>1.18</b>            |
| Stores and spares (Valued at lower of cost or Net Realisable value) | 82.34                | 87.88                  |
|   | <b>82.34</b>         | <b>87.88</b>           |
|   | <b>2,439.36</b>      | <b>2,483.25</b>        |

**2.6 Trade receivables**

(Rs. in Lakhs)

| Particulars                                       | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---|----------------------|------------------------|
| Debts outstanding for period exceeding six months |                      |                        |
| Unsecured, considered good                        | 27.94                | 22.52                  |
|   | <b>27.94</b>         | <b>22.52</b>           |
| Unsecured, considered good                        | 2,222.77             | 3,056.57               |
|   | <b>2,222.77</b>      | <b>3,056.57</b>        |
|   | <b>2,250.71</b>      | <b>3,079.09</b>        |

**Trade Receivable stated above include debts due by the group under the same management**

(Rs. in Lakhs)

| Particulars                          | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|--------------------------------------|----------------------|------------------------|
| Stanpacks (India) Ltd.,              | 7.51                 | 45.36                  |
| JBL Saks (P) Ltd.,                   | 0.23                 | 0.73                   |
| Jumbo Bag LLC                        | -                    | 255.61                 |
| GF Impex Pvt Ltd.,                   | -                    | 69.41                  |
| Balaji Trading Enterprises Pvt Ltd., | 353.63               | 157.27                 |
| Dinesh Polyfab Pvt Ltd.,             | -                    | -                      |
| Master material suppliers FZE        | -                    | -                      |
|                                      | <b>361.37</b>        | <b>528.38</b>          |



**2.7 Cash and cash equivalents**

(Rs. in Lakhs)

| Particulars  | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|--|----------------------|------------------------|
| Cash Balance                                       | 1.07                 | 1.58                   |
| Balance with banks                                 | 4.53                 | 13.80                  |
| <b>Other Bank balances</b>                         |                      |                        |
| Earmarked Balances (eg/- unpaid dividend accounts) | -                    | -                      |
| Margin money                                       | 140.00               | 146.68                 |
| Bank deposits with more than 12 months maturity    | -                    | -                      |
|  | <b>145.60</b>        | <b>162.07</b>          |

**2.8 loans**

(Rs. in Lakhs)

| Particulars                             | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---|----------------------|------------------------|
| <b>Others</b>                           |                      |                        |
| Unsecured, considered good              |                      |                        |
| Rental deposits                         | -                    | 33.04                  |
| Cenvat receivable                       | 11.52                | 11.52                  |
| GST receivable                          | 19.56                | 234.57                 |
| TCS receivable                          | (0.07)               | (0.12)                 |
| Interest receivable on bank deposits    | -                    | 7.52                   |
| GST refund receivable                   | 81.46                | 198.96                 |
| Interest/EPI receivable on customers    | 23.64                | 29.01                  |
| Prepaid expenses                        | 51.74                | 55.19                  |
| ECGC premium                            | 0.75                 | 0.29                   |
| Rebate Claim & Duty Drawback receivable | 3.56                 | 3.56                   |
| Merchant Export Incentive Scheme        | 2.16                 | 81.60                  |
| Staff advance / others                  | 31.10                | 21.90                  |
| Provision for taxation( Net)            | 85.56                | 87.47                  |
|   | <b>310.98</b>        | <b>764.51</b>          |

**2.9 Other current assets**

(Rs. in Lakhs)

| Particulars                                    | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|--|----------------------|------------------------|
| Insurance Claim Receivables on ( Fixed Assets) | 210.30               | 210.30                 |
|  | <b>210.30</b>        | <b>210.30</b>          |

**2.10: Property held for sale**

(Rs. in Lakhs)

| Particulars   | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---------------|----------------------|------------------------|
| Karagpur Land | 77.08                | 64.08                  |
|               | <b>77.08</b>         | <b>64.08</b>           |

## 2.11 Equity Share Capital

(Rs. in Lakhs)

| Particulars  | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|--|----------------------|------------------------|
| <b>(a) Authorised</b>  |                      |                        |
| <b>Equity shares</b>   |                      |                        |
| 140,00,000 (previous year 140,00,000), Rs.10 par value   | 1,400.00             | 1,400.00               |
| <b>Preference shares</b>   |                      |                        |
| 6,00,000 (previous year. 600,000) cumulative, redeemable preference shares of Rs 100 par value | 600.00               | 600.00                 |
|  | <b>2,000.00</b>      | <b>2,000.00</b>        |
| <b>(b) Issued</b>  |                      |                        |
| <b>Equity shares</b>   |                      |                        |
| 83,73,700 (previous year 83,73,700), Rs. 10 par value  | 837.37               | 837.37                 |
|  | <b>837.37</b>        | <b>837.37</b>          |
| <b>(c) Subscribed and fully Paid up</b>  |                      |                        |
| <b>Equity shares</b>   |                      |                        |
| 83,73,700 (previous year 83,73,700), Rs .10 fully paid up                                      | 837.37               | 837.37                 |
|  | <b>837.37</b>        | <b>837.37</b>          |
| <b>Forfeited shares</b>  |                      |                        |
| 408,000(previous year 408,000) equity shares of Rs 10 par value                                | 40.80                | 40.80                  |
|  | <b>878.17</b>        | <b>878.17</b>          |

Clause (a) (b) (c) – The Authorised Capital comprises of equity shares and non convertible redeemable preference shares. The Issued and Fully Paid-up Capital comprise of equity shares having a par value of Rs.10 each.

**Clause (d) The reconciliation of the number of equity shares outstanding is set out below;**

(in Nos)

| Particulars                                     | As at<br>31 Mar 2020 | As at<br>31 March 2019 |
|---|----------------------|------------------------|
| Shares outstanding at the beginning of the year | 8,373,700            | 8,373,700              |
| Shares Issued during the year                   |                      |                        |
| Shares bought back during the year              |                      |                        |
| Shares outstanding at the end of the year       | <b>8,373,700</b>     | <b>8,373,700</b>       |

**Clause (e) – Rights, preference and restrictions attached to shares**

Equity Shares:

The Company has one class of equity shares having a par value of Rs.10 each. Each share holder is eligible for one vote per share held. The dividend (if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

**Clause (f) – Shares held by holding company or its ultimate holding company including thier subsidiaries – Not applicable****Clause (g) – particulars of shares held by shareholders holding more than 5% of the aggregate shares in the company:**

| Name of Shareholder                        | As at<br>31 March 2020   |                 | As at<br>31 March 2019   |                 |
|--|--------------------------|-----------------|--------------------------|-----------------|
|  | No. of<br>Shares<br>held | % of<br>Holding | No. of<br>Shares<br>held | % of<br>Holding |
| Balaji Trading Enterprises Private Limited | 2,632,200                | 31.43           | 2,632,200                | 31.43           |



Clause (h) – Shares reserved for issue under options and contracts/ commitments for the sale of shares – Not applicable

Clause (i) – Shares allotted in the preceding five years without payment being received in cash / by way of bonus shares / shares bought back – Not Applicable

Clause (j) – Terms of any securities convertible into issued along with the earliest date of conversion – Not Applicable

Clause (k) – Calls unpaid – Not Applicable

Clause (l) – Forfeited shares

(Rs. in Lakhs)

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>EQUITY SHARES</b>  |                        |                        |
| 4,08,000 (previous year 4,08,000) shares of Rs.10 par value | 40.80                  | 40.80                  |

**2.12 Other Equity**

(Rs. in Lakhs)

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Capital Reserves</b>   |                        |                        |
| Opening Balance   | 196.33                 | 196.33                 |
| Add: Amount transferred from statement of profit and loss account |                        |                        |
| Less: Amount utilized   |                        |                        |
| Closing Balance   | <b>196.33</b>          | <b>196.33</b>          |
| <b>Capital Redemption Reserve</b>                                 |                        |                        |
| Opening Balance   | 86.75                  | 86.75                  |
| Add: Amount Transferred   |                        |                        |
| Less: Amount utilised   |                        |                        |
| Closing Balance   | <b>86.75</b>           | <b>86.75</b>           |
| <b>Securities Premium Account</b>                                 |                        |                        |
| Opening Balance   | 294.45                 | 294.45                 |
| Add: Amount Transferred   |                        |                        |
| Less: Amount utilised   |                        |                        |
| Closing Balance   | <b>294.45</b>          | <b>294.45</b>          |
| <b>General Reserve</b>  |                        |                        |
| Opening Balance   | 37.43                  | 31.63                  |
| Add: Amount Transferred   | 5.83                   | 5.80                   |
| Less: Amount utilised   |                        |                        |
| Closing Balance   | <b>43.26</b>           | <b>37.43</b>           |
| <b>Revaluation Reserve</b>  |                        |                        |
| Opening Balance   | 1,276.69               | 1,282.49               |
| Add: Additions on revaluation during the year                     | -                      | -                      |
| Less: Amount utilised   | 5.83                   | 5.80                   |
| Closing Balance   | <b>1,270.86</b>        | <b>1,276.69</b>        |
| <b>Other comprehensive Income / Loss</b>                          |                        |                        |
| Opening Balance   | (46.47)                | (34.21)                |
| Add: Additions during the year                                    | -                      | (12.26)                |
| Closing Balance   | <b>(46.47)</b>         | <b>(46.47)</b>         |
| <b>Other Reserves Total</b>                                       | <b>1,845.18</b>        | <b>1,845.18</b>        |

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Surplus / (deficit) balance in the statement of profit and loss account</b> |                        |                        |
| Opening Balance  | 210.02                 | 107.07                 |
| Add: Profit/ (Loss) for the year   | 96.12                  | 103.55                 |
| Add: Amount utilised Income tax for 2016-17 & 2017-18 adjusted for 2018-19     | -                      | (0.60)                 |
| Closing Balance  | 306.14                 | 210.02                 |
|  | <b>2,151.32</b>        | <b>2,055.20</b>        |

### 2.13 Borrowings

(Rs. in Lakhs)

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Secured- Considered good</b>  |                        |                        |
| <b>Term loans</b>  |                        |                        |
| from banks   |                        |                        |
| <b>State Bank Of India</b>   | -                      | -                      |
| (secured by fixed assets of the Company and Guaranteed by directors in their personnel capacity) |                        |                        |
| In case of continuing default as on the balance sheet date in repayment of loans and interest    |                        |                        |
| 1. Period of default   | NIL                    |                        |
| 2. Amount  | NIL                    |                        |
| <b>Long term maturities of finance lease obligations</b>   | 39.85                  | 46.47                  |
| ( Secured by motor Vehicle under Hypothecation )   |                        |                        |
| <b>Repayment tenure of 60 months ending Mar 2022</b>   |                        |                        |
| In case of continuing default as on the balance sheet date in repayment of loans and interest    |                        |                        |
| 1. Period of default   | NIL                    |                        |
| 2. Amount  | NIL                    |                        |
|  | <b>39.85</b>           | <b>46.47</b>           |
| <b>Unsecured -considered good</b>  |                        |                        |
| <b>Public Deposits</b>   | -                      | -                      |
| Repayable on maturity depending on the period of deposit more than 1 year                        |                        |                        |
| In case of continuing default as on the balance sheet date in repayment of loans and interest    |                        |                        |
| 1. Period of default   | NIL                    |                        |
| 2. Amount  | NIL                    |                        |
| <b>Loans and advances from related parties</b>   |                        |                        |
| from Group Company-Balaji Trading Enterprises Private Limited                                    | -                      | 152.78                 |
| Repayable for a period of 3 years with the rate of Interest                                      |                        |                        |
| In case of continuing default as on the balance sheet date in repayment of loans and interest    |                        |                        |
| 1. Period of default   | NIL                    |                        |
| 2. Amount  | NIL                    |                        |
|  | -                      | <b>152.78</b>          |
|  | <b>39.85</b>           | <b>199.25</b>          |

**2.14: Provisions**

(Rs. in Lakhs)

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Others (Specify nature)</b>                                     |                        |                        |
| Provision for pending sales tax forms and other sales tax disputes | 0.68                   | 1.01                   |
| Provisions for Contingencies                                       | -                      | -                      |
| Others provision (Reserve for bad debts)                           | -                      | -                      |
|  | <b>0.68</b>            | <b>1.01</b>            |

**2.15 Deferred tax liabilities (Net)**

(Rs. in Lakhs)

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| As per last Balance Sheet   | 205.09                 | 243.87                 |
| Add : Deferred tax liability / (Deferred tax Asset) for the year ( Net) | (21.78)                | (38.78)                |
| Closing Balance   | <b>183.31</b>          | <b>205.09</b>          |

**2.16 Other non current liabilities**

(Rs. in Lakhs)

| Particulars                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| Trade Payables                       |                        |                        |
| - due to micro and small enterprises | -                      | -                      |
| - others creditors                   | -                      | 4.00                   |
| Others                               |                        |                        |
| Loan from directors                  | 278.50                 | 85.50                  |
| Security Deposit                     | 51.62                  | 51.42                  |
|                                      | <b>330.12</b>          | <b>140.92</b>          |

**2.17 Borrowings**

(Rs. in Lakhs)

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Secured - Considered Good</b>   |                        |                        |
| Loans repayable on demand  |                        |                        |
| <b>from banks</b>  |                        |                        |
| <b>- State Bank of India</b>   | <b>2,727.33</b>        | <b>3,598.72</b>        |
| (Includes Rs. Nil as buyers credit on short term repayable with in one year).<br>(Secured by pari passu first charge on the entire current assets Viz, RM,SIP,FG,Receivables, spares, consumables and other current assets of the Company with State Bank of India and also Guaranteed by the directors in their personnel capacity)<br>In case of default as on the balance sheet date in repayment of loans and interest |                        |                        |
| 1. Period of default   | NIL                    |                        |
| 2. Amount  | NIL                    |                        |
| <b>- South Indian Bank</b>   | <b>1,131.74</b>        | <b>1,199.59</b>        |
| (Includes Rs Nil as buyers credit on short term repayable with in one year).<br>(Secured by pari passu first charge on the entire current assets Viz, RM,SIP,FG,Receivables, spares, consumables and other current assets of the Company with South Indian Bank and also Guaranteed by the directors in their personnel capacity)  |                        |                        |

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| In case of default as on the balance sheet date in repayment of loans and interest             |                        |                        |
| 1. Period of default NIL   |                        |                        |
| 2. Amount NIL  |                        |                        |
| <b>Other loans and advances (specify nature)</b>   |                        |                        |
| <b>Term loan ( State Bank of India)</b>  | -                      | 40.32                  |
| (secured by fixed assets with a specific mention in case guaranteed by any director or others) |                        |                        |
| In case of default as on the balance sheet date in repayment of loans and interest             |                        |                        |
| 1. Period of default NIL   |                        |                        |
| 2. Amount NIL  |                        |                        |
|  | <b>3,859.07</b>        | <b>4,838.63</b>        |
| <b>Unsecured</b>   |                        |                        |
| <b>Loans repayable on demand</b>   |                        |                        |
| Others   |                        |                        |
| from other parties   | -                      | -                      |
| In case of default as on the balance sheet date in repayment of loans and interest             |                        |                        |
| 1. Period of default NIL   |                        |                        |
| 2. Amount NIL  |                        |                        |
| <b>Deposits</b>  |                        |                        |
| <b>Public Deposits</b>   | -                      | -                      |
| Repayable on maturity depending on the period of deposit less than 1 year                      |                        |                        |
| In case of continuing default as on the balance sheet date in repayment of loans and interest  |                        |                        |
| 1. Period of default NIL   |                        |                        |
| 2. Amount NIL  |                        |                        |
| <b>Loan from directors</b>   | -                      | -                      |
|  | -                      | -                      |
|  | <b>3,859.07</b>        | <b>4,838.63</b>        |

**2.18 Trade payables**

(Rs. in Lakhs)

| Particulars                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| Trade Payables                       |                        |                        |
| - due to micro and small enterprises | -                      | 9.17                   |
| - others creditors                   | 913.16                 | 1,403.14               |
|                                      | <b>913.16</b>          | <b>1,412.31</b>        |

**2.19 Provisions**

(Rs. in Lakhs)

| Particulars                               | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Provision for employee benefits</b>    |                        |                        |
| Salary & Reimbursements                   | 55.63                  | 65.10                  |
| Contribution to PF / ESIC                 | 13.36                  | 16.59                  |
| Gratuity                                  | 25.00                  | 26.94                  |
| Superannuation                            | 0.67                   | 1.30                   |
| Leave travel & Medical expenses-Directors | 4.31                   | 4.06                   |
| Professional tax payable                  | 3.05                   | 3.00                   |
| Employee related                          | 2.36                   | 1.05                   |



| Particulars                       | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------|------------------------|------------------------|
| <b>Others (Specify nature)</b>    |                        |                        |
| Provision for Electricity Charges | 24.34                  | 30.81                  |
| provision for Freight & Clearing  | 6.45                   | 3.35                   |
| Provision for Commission on sales | 0.50                   | -                      |
| Provision for Job work charges    | 0.47                   | -                      |
| provision for Expenses            | 56.12                  | 42.19                  |
|                                   | <b>192.26</b>          | <b>194.39</b>          |

**2.20 Other Current Liabilities**

(Rs. in Lakhs)

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Current maturities of long-term debt  |                        |                        |
| Current maturities of finance lease obligations<br>(Secured by motor Vehicle / Plant and machinery under Hypothecation) | 35.33                  | 25.37                  |
| <b>Repayment tenure of 60 months ended March 2022</b>   |                        |                        |
| Interest accrued but not due on borrowings  | -                      | -                      |
| Other payables  |                        |                        |
| Sales Tax / GST Payable   | 2.01                   | 1.86                   |
| TDS payable   | 8.94                   | 8.26                   |
| Sundry creditors for purchase of Fixed Assets   | 6.26                   | 10.70                  |
|   | <b>52.54</b>           | <b>46.19</b>           |

**2.21: Revenue from Operations**

**Sale of Products**

(Rs. in Lakhs)

| Particulars      | 31st Mar 2020   | 31st Mar 2019    |
|------------------|-----------------|------------------|
| Sales - Exports  | 2,786.84        | 4,694.01         |
| Sales - Domestic | 6,026.03        | 6,557.10         |
| Sub Total        | <b>8,812.87</b> | <b>11,251.11</b> |
| Net Turnover     | <b>8,812.87</b> | <b>11,251.11</b> |

**Sale of Services**

(Rs. in Lakhs)

| Particulars                  | 31st Mar 2020 | 31st Mar 2019 |
|------------------------------|---------------|---------------|
| Income from Job work charges | 5.07          | 85.65         |
| Commission on sales          | 113.61        | 105.39        |
| Early payment incentive      | 66.90         | 55.33         |
|                              | <b>185.58</b> | <b>246.37</b> |

**Other operating revenues**

(Rs. in Lakhs)

| Particulars                       | 31st Mar 2020   | 31st Mar 2019    |
|-----------------------------------|-----------------|------------------|
| Sale of scrap ( net)              | 80.83           | 98.88            |
| Focus product Scheme              | 42.80           | 185.75           |
| Interest Income (IOCL operations) | 30.62           | 27.33            |
| Exchange gain / (Loss) (net)      | 31.77           | (62.48)          |
|                                   | <b>186.02</b>   | <b>249.48</b>    |
| Total (2.21)                      | <b>9,184.47</b> | <b>11,746.96</b> |

**2.22: Other income**

(Rs. in Lakhs)

| Particulars                         | 31st Mar 2020 | 31st Mar 2019 |
|-------------------------------------|---------------|---------------|
| Interest Income ( bank FD+others)   | 18.81         | 17.25         |
| Profit on sale of fixed assets      | 11.75         | -             |
| Brokerage & Commission - Income     | 21.62         | -             |
| Write back - Provision for Baddebts | -             | 14.07         |
| Miscellaneous Income / Other Income | 20.79         | 2.88          |
|                                     | <b>72.97</b>  | <b>34.20</b>  |

**2.23: Cost of material consumed**

(Rs. in Lakhs)

| Particulars                                  | 31st Mar 2020   | 31st Mar 2019   |
|--|-----------------|-----------------|
| Raw materials and packing materials consumed |                 |                 |
| Opening stock                                | 260.45          | 181.70          |
| Add: Purchases                               | 5,370.46        | 6,917.78        |
| Less: Closing stock                          | 254.94          | 260.45          |
|  | <b>5,375.97</b> | <b>6,839.03</b> |

**2.24: Changes in inventories and Finished goods**

(Rs. in Lakhs)

| Particulars                | 31st Mar 2020 | 31st Mar 2019 |
|----------------------------|---------------|---------------|
| <b>Opening stock</b>       |               |               |
| Finished goods             | 401.34        | 285.71        |
| Work-in-progress           | 1,720.33      | 1,883.72      |
| Goods in transit           | 12.07         | 67.87         |
| Scrap                      | 1.18          | 0.56          |
| <b>Less: Closing stock</b> |               |               |
| Finished goods             | 292.16        | 401.34        |
| Work-in-progress           | 1,703.85      | 1,720.33      |
| Goods in transit           | 105.75        | 12.07         |
| Scrap                      | 0.32          | 1.18          |
|                            | <b>32.84</b>  | <b>102.94</b> |

**2.25: Employee benefits expense**

(Rs. in Lakhs)

| Particulars                           | 31st Mar 2020   | 31st Mar 2019   |
|---------------------------------------|-----------------|-----------------|
| Salaries, wages                       | 697.90          | 702.15          |
| Bonus and Exgratia                    | 42.91           | 47.55           |
| Contribution to provident fund / ESIC | 56.99           | 64.56           |
| Contribution to Gratuity fund.        | 25.00           | 27.06           |
| Workmen and staff welfare expenses    | 196.86          | 239.41          |
| Directors remuneration                | 32.01           | 29.38           |
|                                       | <b>1,051.67</b> | <b>1,110.11</b> |





**2.26: Finance Cost**

(Rs. in Lakhs)

| Particulars                                  | 31st Mar 2020 | 31st Mar 2019 |
|--|---------------|---------------|
| Medium Term Loan                             | 1.89          | 11.00         |
| Cash Credit                                  | 183.66        | 191.35        |
| Packing Credit                               | 51.08         | 49.46         |
| Bills Discounting (FUBD)                     | 58.20         | 85.61         |
| Interest paid on Hire Purchase               | 10.00         | 3.00          |
| Others ( Other + interest on unsecured loan) | 35.52         | 58.71         |
|  | <b>340.35</b> | <b>399.13</b> |

**2.27: Other Expenses**

(Rs. in Lakhs)

| Particulars  | 31st Mar 2020 | 31st Mar 2019 |
|--|---------------|---------------|
| Consumption of stores, loose tools and spare parts | 100.65        | 184.25        |
| Power and fuel                                     | 355.39        | 429.68        |
| Rent   | 136.96        | 140.98        |
| <b>Repairs and maintenance:</b>                    |               |               |
| - buildings  | 8.58          | 7.88          |
| - plant and machinery                              | 17.79         | 21.62         |
| - others   | 22.53         | 26.04         |
| Rates and taxes, excluding, taxes on income        | 15.98         | 15.80         |
| Watch & Ward                                       | 28.73         | 24.61         |
| Insurance  | 29.43         | 25.20         |
| Job work charges paid                              | 1,015.90      | 1,565.21      |
| Traveling and conveyance (Domestic)                | 17.53         | 23.38         |
| Traveling and conveyance (Foreign)                 | 2.26          | 2.00          |
| Communication                                      | 22.22         | 31.58         |
| Legal and professional fees                        | 29.91         | 29.64         |
| Statutory Auditor's remuneration                   | 2.98          | 3.11          |
| Internal Audit fees/others                         | 2.90          | 2.00          |
| Freight and clearing outward                       | 156.33        | 135.76        |
| ECGC premium paid                                  | 18.60         | 19.86         |
| Sales promotion                                    | 2.51          | 2.06          |
| Sales commission                                   | 0.83          | 3.97          |
| Bank charges                                       | 81.71         | 80.69         |
| Testing charges                                    | 2.80          | 2.57          |
| Loss on sale of FPS licence                        | 1.83          | 26.53         |
| Loss on sale of fixed Assets                       | -             | 1.62          |
| Bad debts written off                              | 9.62          | 36.74         |
| Training and seminar expenses                      | 16.43         | 1.88          |
| Provision for bad debts                            | -             | -             |
| Books and periodicals                              | 0.34          | 0.38          |
| Advertisements                                     | 0.47          | 0.33          |
| Management meeting expenses                        | 0.21          | 0.18          |
| Printing and stationery                            | 8.84          | 11.79         |
| Office Electricity                                 | 2.50          | 2.54          |
| Membership and subscriptions                       | 1.92          | 2.13          |
| Research & Development expenses                    | 29.12         | 2.59          |

| Particulars            | 31st Mar 2020   | 31st Mar 2019   |
|------------------------|-----------------|-----------------|
| Sitting Fees           | 2.70            | 4.71            |
| Office Maintenance     | 12.06           | 11.67           |
| Listing & Filing fees  | 3.40            | 2.58            |
| Donations              | 0.78            | 0.30            |
| Miscellaneous expenses | 0.06            | 0.03            |
| Assets condemned       | -               | 16.89           |
|                        | <b>2,162.80</b> | <b>2,900.78</b> |

**2.28: Exceptional items**

(Rs. in Lakhs)

| Particulars                              | 31st Mar 2020 | 31st Mar 2019   |
|--|---------------|-----------------|
| Write back - Provision for Contingencies | -             | 200.00          |
| Insurance Claim written off ( Stock)     | -             | (351.28)        |
| Total Exceptional items                  | -             | <b>(151.28)</b> |

**3. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES:**

The management has written to vendors requesting them to inform whether they would fall under the preview of Micro, Small and Medium Enterprises Act, 2001. Based on disclosure received, there is no amount payable to such enterprises as at 31st March 2020. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company which has been relied upon by the auditors.

**4. STATUS ON FIRE ACCIDENT CLAIM:**

The claim relates to fire accident in the year 2013 at one of the units. The Company has filed case against the insurance companies for the claims with respect to loss of stock and fixed assets in the fire since only a partial claim has been paid as final settlement. Below is the present status of the case:

**Stock Claim**

Company is pursuing the suit filed at High Court in the year 2018 against repudiation of the claim by insurance company on loss of stock in the fire accident. The insurance company has come forward for mediation talks for exploring the possibility of settling the matter amicably. The management is hopeful of recovering the claim once the case is transferred for mediation by the court.

Company has already written-off a sum of Rs.351 lakhs on the insurance claim for stock owing to the legal process taking longer time. A Sum of Rs.200 lakhs provided as provision in FY 2014-15 has also been written back in previous year. Any difference between the claim and actual settlement will be treated as income or expenses when the claim is resolved.

**MACHINERY CLAIM:**

In the matter of machinery claim, based on the petition filed by the Company the High Court ruled the appointment of arbitrator for adjudication of the disputes between the parties. Later the Supreme Court of India overturned the ruling based on appeal challenging it by the insurance Company. In view of this the Company is in the process of filing a suit in High Court against the repudiation of the claim. The Company is confident that the merits of the case are in our favour and when the case is heard by the Court it will be having a better chance to put the facts.

The company believes that there will be no financial impact as the case is likely to be in our favour and will deal with any financial impact of the same upon conclusion of the case.

**5. Earnings per share**

| EARNINGS PER SHARE                                     | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Profit available for equity share holder (Rs. in lacs) | 96.12     | 102.95    |
| Number of Equity shares (Basic and diluted)            | 83,73,700 | 83,73,700 |
| Earnings per Share (in Rs.)                            | 1.15      | 1.23      |
| Cash Earnings per Share (in Rs.)                       | 3.30      | 3.22      |



**6. Unhedged foreign Currency Exposure**

| Particulars                                | currency | Foreign Currency | 31st March 2020 | 31st March 2019                  |
|--|----------|------------------|-----------------|----------------------------------|
| Unhedged Foreign currency (Export/ Import) | US \$    | US\$             | NIL             | US\$ 3,74,622<br>INR 259.13 lacs |

**7. Particulars of demands by Income Tax, Sales Tax, Excise in Dispute and their status is as under:-**

**7.1. EXCISE DUTY/ SERVICE TAX:**

| SI. No | Description   | Demand (including penalty) Rs. in lakhs | Amount not provided | Present status  |
|--------|---|---|---------------------|---|
| 1.1    | Whether Value of Deemed Export shall be considered for Arriving At DTA Sale Eligibility(Difference Of Duty For Disallowed Deemed Export Portion | NA                                      | NA                  | The demand has been settled under SabkaVishwas (Legacy Dispute Resolution) Scheme, 2019                               |
| 1.2    | Advance release order (ARO)-non-payment of CVD.   | NA                                      | NA                  | The demand has been settled under SabkaVishwas (Legacy Dispute Resolution) Scheme, 2019                               |
| 1.3    | Third Party Export On Payment Of Duty Refund Sanctioned & Duty Demanded   | 2.77                                    | 2.77                | Appeal filed in the High Court at Chennai on 6/7/2011   |
| 1.4    | Rebate Claim Original Docs Missed-Unit-2  | 3.55                                    | 3.55                | Case closed & Order passed in our favor, but Dept has filed review petition before The Secretary, Government Of India |
|        | <b>TOTAL</b>  | <b>6.32</b>                             | <b>6.32</b>         |   |

**7.2. INCOME TAX:**

| SI No. | Description  | AY        | Demand (including Penalty ₹ lacs) | Present Status                                   |
|--------|--|-----------|-----------------------------------|--|
| 2.1    | Notice u/s 148 Scrutiny /C C IV (2)/11-12 dt. 01.08.2011 | 2005-2006 | 39.85                             | Appeal made with CIT                             |
| 2.2    | Notice u/s 148 Scrutiny /C C IV (2)/11-12 dt. 01.08.2011 | 2006-2007 | 16.24                             | Appeal made with CIT                             |
| 2.3    | Notice u/s 143/(3) dt 14.03.14 – AY 2011-12              | 2011-2012 | 53.38                             | Appeal made with CIT                             |
| 2.4    | Order passed u/s 154 dt 14.02.2017 – AY 2013-14          | 2013-2014 | 4.99                              | Appeal was filed before the CIT (18) Chennai -34 |
|        | <b>TOTAL</b>   |           | <b>114.46</b>                     |  |

**8. Defined Contribution Plans:-**

- (a) Contribution to Provident Fund /ESI : 56.99 lacs  
 (b) Contribution to Superannuation Fund : 4.00 lacs

**Defined Benefit Plans:-****Gratuity:**

The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. The Gratuity liability is covered by a Master Policy taken out with LIC of India under the Cash Accumulation scheme

**Retirement Benefits:**

The amounts recognized in the statement of Profit and Loss are as follows:

| SI No. | Particulars  | 2019-20<br>(Rs. in lakhs) | 2018-19<br>(Rs. in lakhs) |
|--------|--|---------------------------|---------------------------|
| (i)    | Present value of obligation at the beginning of the year | NA                        | 145.25                    |
|        | Interest Cost  | NA                        | 11.62                     |
|        | Current Service Cost                                     | NA                        | 11.56                     |
|        | Benefits paid  | NA                        | (8.53)                    |
|        | Actuarial (gain) / loss on obligation                    | NA                        | 12.26                     |
|        | Present Value of obligation at the end of the year       | NA                        | 172.15                    |
| (ii)   | Fair value of plan assets at the beginning of the year   | NA                        | 93.67                     |
|        | Expected return on plan assets                           | NA                        | 8.38                      |
|        | Contribution   | NA                        | 48.08                     |
|        | Benefits paid  | NA                        | (8.53)                    |
|        | Actuarial gain / (loss) on plan assets                   | NA                        | Nil                       |
|        | Fair value of plan assets at the end of the year         | NA                        | 141.59                    |
| (iii)  | Amounts recognized in the balance sheet                  |                           |                           |
|        | Present Value of obligation as at the end of the year    | NA                        | 172.15                    |
|        | Fair Value of plan at the end of the year                | NA                        | 141.59                    |
|        | Funded status of the plan - (asset) / liability          | NA                        | (30.57)                   |
|        | Net Assets / (liability) recognized in Balance Sheet     | NA                        | (30.57)                   |
| (iv)   | Amounts recognized in the statement of Profit and Loss   |                           |                           |
|        | Current Service Cost                                     | NA                        | 11.56                     |
|        | Interest Cost  | NA                        | 11.62                     |
|        | Expected return on plan assets                           | NA                        | (8.38)                    |
|        | Expenses recognized in the statement of profit and loss  | NA                        | 27.06                     |
|        | Other Comprehensive Income                               |                           |                           |
|        | Net Actuarial (gain)/loss recognized in the year         | NA                        | 12.26                     |
|        | Principal actuarial assumptions                          | NA                        |                           |
|        | Discount Rate  | NA                        | 7.50%                     |
|        | Salary Escalation  | NA                        | 5%                        |
|        | Expected Return on plan assets                           | NA                        | 7.50%                     |
|        | Expected rate of attrition                               | NA                        | 1.08%                     |
|        | Mortality  | NA                        | IALM (2006-2008)          |



The disclosures of Gratuity liability as required under Ind AS are not shown for the financial year 2019-20, since the actuarial statement has not been received from LIC despite of rigorous follow-up since most of offices were either closed or working with minimal staff due to enforcement of lockdown by Central/State Government to contain the spread of Covid-19.

## 9. Segmental Reporting

Company's business segments are as under:

### Manufacturing:

Manufacture of Flexible intermediate bulk container packaging material used for industrial purposes.

### Trading:

Trading of Polymers.

### Segment Accounting Policies:

- Segment accounting disclosures are in line with accounting policies of the Company.
- Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment.
- Expenses that are directly identifiable with allocable to segments are considered for determining the Segment Result.
- Major portion of segment liabilities and Assets relates to manufacturing segment
- Regrouping done wherever necessary.

### Segment-wise Reporting as per the format under the Listing agreement

| Particulars   | Year ended<br>31.03.2020 | Year ended<br>31.03.2019 |
|---|--------------------------|--------------------------|
|   | Rs. in lacs              | Rs. in lacs              |
| <b>(i) Segment Revenue</b>  |                          |                          |
| (Net Sales / Income from each segment should be disclosed under this head)                        |                          |                          |
| (a) Segment A - Manufacturing Business  | 9046.31                  | 11589.67                 |
| (b) Segment B - Trading Business  | 211.13                   | 191.49                   |
| (c) Unallocated   | -                        | -                        |
| Total   | 9257.44                  | 11781.16                 |
| Less: Inter Segment Revenue   | -                        | -                        |
| <b>Net Sales / Income from Operations</b>   | <b>9257.44</b>           | <b>11781.16</b>          |
| <b>(ii) Segment Results - Profit (+) / Loss (-)<br/>before tax and interest from each segment</b> |                          |                          |
| (a) Segment A - Manufacturing Business  | 308.43                   | 513.09                   |
| (b) Segment B - Trading business  | 145.34                   | 136.64                   |
| (c) Unallocated   | -                        | -                        |
| Total   | 453.77                   | 649.73                   |
| Less: (i) Interest  | 340.35                   | 399.13                   |
| (ii) Other Un-allocable Expenditures Net off  | -                        | -                        |
| (iii) Unallocable Income  | -                        | -                        |
| <b>Total Profit before tax</b>  | <b>113.42</b>            | <b>250.60</b>            |

|                                  |         |         |
|----------------------------------|---------|---------|
| <b>(iii) Capital Employed</b>    |         |         |
| <b>Segment (A) Polymer</b>       |         |         |
| Assets                           | 1174.91 | 1292.92 |
| Liabilities                      | 1262.80 | 1363.60 |
| <b>Segment (B) Manufacturing</b> |         |         |
| Assets                           | 7425.57 | 8678.24 |
| Liabilities                      | 7337.68 | 8607.56 |

**SECONDARY SEGMENT INFORMATION**

|                                      |                |                 |
|--------------------------------------|----------------|-----------------|
| <b>1. Segment Revenue - Turnover</b> | <b>2019-20</b> | <b>2018-19</b>  |
| Sales-Exports                        | 2786.84        | 4694.01         |
| Sales-Domestic                       | 6026.03        | 6557.10         |
| <b>Total</b>                         | <b>8812.87</b> | <b>11251.11</b> |
| <b>2. Non-Current Assets</b>         |                |                 |
| Exports                              | NIL            | NIL             |
| Domestic                             | NIL            | NIL             |

**10. RELATED PARTIES with whom transactions have taken place during the year 2019-20**

Rs. in lakhs

| SI No  | Name of the Party                  | Nature of Relationship               | Nature of Transaction        | Transactions during the Year |         | Closing Balance as on Cr / (Dr) |           |
|--------|------------------------------------|--------------------------------------|------------------------------|------------------------------|---------|---------------------------------|-----------|
|        |                                    |                                      |                              | 2019-20                      | 2018-19 | 31.3.2020                       | 31.3.2019 |
| (i)    | Stanpacks (India) Limited          | Associate Company                    | Job Work Charges Paid        | 46.00                        | 163.32  |                                 |           |
|        |                                    |                                      | Purchase of goods            | 6.36                         | 43.44   |                                 |           |
|        |                                    |                                      | Sale of Goods                | 112.35                       | 467.71  | (7.51)                          | (45.36)   |
| (ii)   | JBL Saks (P) Ltd                   | Associate Company                    | Sale of Goods                | 12.98                        | 1.07    | (0.23)                          | (0.73)    |
|        |                                    |                                      | Purchase                     | 3.00                         | -       |                                 |           |
| (iii)  | Jumbo Bag LLC                      | Associate Company                    | Sale                         | 239.59                       | 1297.46 | 78.26                           | (255.61)  |
| (iv)   | G. Sudhakar                        | Key Management Personnel             | Rent                         | 2.58                         | 2.21    |                                 | 0.19      |
| (v)    | G P N Gupta                        | Key Management Personnel             | Remuneration                 | 12.00                        | 12.00   | 2.88                            | 8.55      |
| (vi)   | G S Anil kumar                     | Key Management Personnel             | Salary                       | 16.32                        | 16.32   | 3.79                            | 11.44     |
| (vii)  | G. Sangeetha                       | Relative of Key Management Personnel | Rent                         | 5.23                         | 4.70    |                                 |           |
| (viii) | G.R. Latha Rani                    | Relative of Key Management Personnel | Rent                         | 9.00                         | 8.10    |                                 |           |
| (ix)   | Balaji Trading Enterprises Pvt Ltd | Associate Company                    | Loan Received/ Interest paid | -                            | 12.78   |                                 | 152.78    |
|        |                                    |                                      | Purchase                     | 53.49                        | -       |                                 |           |
|        |                                    |                                      | Sales                        | 50.91                        | 64.55   | (353.63)                        | (157.27)  |
|        |                                    |                                      | Creditor                     | 21.20                        | -       |                                 |           |



|      |                 |                   |                   |               |                |       |         |
|------|-----------------|-------------------|-------------------|---------------|----------------|-------|---------|
| (x)  | G.F.IMPEX       | Associate Company | Interest received | 0.28          | 6.38           |       | (69.41) |
|      |                 |                   | Purchase          | 0.71          | 13.51          | 9.81  |         |
|      |                 |                   | Sales             | 49.07         | -              |       |         |
| (xi) | Master Material | Associate Company | Sales             | -             | 346.49         | 70.13 |         |
|      |                 |                   | <b>Total</b>      | <b>641.07</b> | <b>2460.03</b> |       |         |

### 11. Deferred Tax - Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet

Rs. in lakhs

| Particulars  | For the Year ended 31 March 2020 |                               |                   |                 |
|--|----------------------------------|-------------------------------|-------------------|-----------------|
|  | Opening Balance                  | Recognised in profit and Loss | Recognised in OCI | Closing Balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                  |                               |                   |                 |
| Property, Plant and Equipment                                    | (205.10)                         | 21.78                         | -                 | (184.74)        |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                  |                               |                   |                 |
| Employee Benefits  | -                                | -                             | -                 | 1.42            |
| Other Items  | -                                | -                             | -                 | -               |
| Brought forward business loss and unabsorbed depreciation        | -                                | -                             | -                 | -               |
| <b>Total</b>   | -                                | -                             | -                 | <b>1.42</b>     |
| <b>Net Tax Asset / (Liabilities)</b>                             | <b>(205.10)</b>                  | <b>21.78</b>                  | -                 | <b>(183.32)</b> |

Rs. in lakhs

| Particulars  | For the Year ended 31 March 2019 |                               |                   |                 |
|--|----------------------------------|-------------------------------|-------------------|-----------------|
|  | Opening Balance                  | Recognised in profit and Loss | Recognised in OCI | Closing Balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                  |                               |                   |                 |
| Property, Plant and Equipment                                    | (259.88)                         | 38.78                         | -                 | (205.10)        |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                  |                               |                   |                 |
| Employee Benefits  | 16.00                            | -                             | -                 | -               |
| Other Items  | -                                | -                             | -                 | -               |
| Brought forward business loss and unabsorbed depreciation        | -                                | -                             | -                 | -               |
| <b>Total</b>   | <b>16.00</b>                     | -                             | -                 | -               |
| <b>Net Tax Asset / (Liabilities)</b>                             | <b>(243.88)</b>                  | <b>38.78</b>                  | -                 | <b>(205.10)</b> |

### 12. Financial Instruments

#### A. Capital risk management

The capital structure of the company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the company which comprises issued share capital and accumulated reserves disclosed in the Statement of Changes in Equity.

The company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

Rs. in lakhs

| Particulars                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------|------------------------|------------------------|
| Debt                            | 3,898.92               | 5,037.88               |
| Cash and Bank Balance           | (145.60)               | (162.07)               |
| <b>Total Debt</b>               | <b>3,753.32</b>        | <b>4,875.81</b>        |
| Total Equity                    | 3,029.49               | 2,933.37               |
| <b>Net Debt to equity ratio</b> | <b>1.24</b>            | <b>1.66</b>            |

**Categories of Financial Instruments****(a) Financial Assets**

Rs. in lakhs

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Measured at fair value through profit or loss (FVTPL)</b> |                        |                        |
| -Investments   | 2.45                   | 2.57                   |
| <b>Measured by FVOCI</b>                                     | -                      | -                      |
| <b>Measured at amortised cost</b>                            |                        |                        |
| - Investments  | -                      | -                      |
| - Trade receivables  | 2,250.71               | 3,079.09               |
| - Cash and Bank balance                                      | 145.60                 | 162.07                 |
| - Loans  | 456.30                 | 905.38                 |
| - Other financial assets                                     | -                      | -                      |

**(b) Financial Liabilities :**

Rs. in lakhs

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Measured at fair value through OCI (FVTOCI)</b> |                        |                        |
| <b>Measured at amortised cost</b>                  |                        |                        |
| - Borrowings                                       | 3,898.92               | 5,037.88               |
| - Trade payables                                   | 913.16                 | 1,412.31               |
| - Other financial liabilities                      | -                      | -                      |

**B. Financial Risk Management****a) Market risk**

The company's activities expose it primarily to the financial risk of changes in interest rates. There have been no changes to the company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

**i) Currency risk**

The company's exposure arises mainly on import (of raw material and capital items). Management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters.

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

Rs. in lakhs

| Currency             | As on Mar'20    |                   |         | As on Mar'19    |                   |         |
|----------------------|-----------------|-------------------|---------|-----------------|-------------------|---------|
|                      | Exposure Hedged | Exposure Unhedged | Total   | Exposure Hedged | Exposure Unhedged | Total   |
| <b>Trade payable</b> |                 |                   |         |                 |                   |         |
| USD                  | 221,603         |                   | 221,603 | 140,550         |                   | 140,550 |





|                         |         |   |         |            |         |           |
|-------------------------|---------|---|---------|------------|---------|-----------|
| EURO                    | 35,680  |   | 35,680  | 81,034     |         | 81,034    |
| <b>Borrowings</b>       |         |   |         |            |         |           |
| USD                     | 445,814 |   | 445,814 | 297,558    |         | 297,558   |
| <b>Trade Receivable</b> |         |   |         |            |         |           |
| USD                     | 423,332 | - | 423,332 | 718,611.00 | 922,661 | 1,641,272 |

**Foreign currency sensitivity analysis**

The Company is mainly exposed to US Dollars, Japanese Yen and Euro

The following table details the Company’s sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR Strengthens 1% against the relevant currency. For a 1 % weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity and balance below would be negative.

| Currency | As at March 31, 2020 | Sensitivity +1% | Sensitivity -1% | As at March 31, 2019 | Sensitivity +1% | Sensitivity -1% |
|----------|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
| USD      | -                    | -               | -               | 922,661              | 9,227           | (9,227)         |
| Euro     | -                    | -               | -               | -                    | -               | -               |

**Notes :**

1. This is mainly attributable to the exposure of payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

**ii) Interest rate risk**

The company is exposed to interest rate risk as the company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

**iii) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining advances, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company’s exposure and the credit ratings of its counterparties are continuously monitored.

Trade receivables consist of a large number of customers, concentrated in the Chemicals, Pharmaceuticals and Minerals industry. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, advances are received from customers.

At 31 March 2020 the company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

**iv) Liquidity Risk**

The company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the company. The company has established an appropriate liquidity risk management framework for it’s short term, medium term and long term funding requirement

The below tables summarise the maturity profile of the company's financial assets and financial liabilities

**i. Non Derivative financial assets**

Rs. in lakhs

| Particulars   | As at March 31, 2020 |              |                   | As at March 31, 2019 |              |                   |
|---|----------------------|--------------|-------------------|----------------------|--------------|-------------------|
|   | Less than 1 year     | 1 to 5 years | 5 years and above | Less than 1 year     | 1 to 5 years | 5 years and above |
| Investments   | 2.45                 | -            | -                 | 2.57                 | -            | -                 |
| Trade receivables   | 2,250.71             | 399.33       | -                 | 3,079.09             | 391.00       | -                 |
| Cash and cash equivalents                                 | 145.60               | -            | -                 | 162.07               | -            | -                 |
| Bank balance other cash and cash equivalents stated above | -                    | -            | -                 | -                    | -            | -                 |
| Loans   | 310.98               | 145.31       | -                 | 764.51               | 140.87       | -                 |
| Other financial assets                                    | -                    | -            | -                 | -                    | -            | -                 |

**ii. Non Derivative financial liabilities**

Rs. in lakhs

| Particulars     | As at March 31, 2020 |              |                   | As at March 31, 2019 |              |                   |
|-----------------|----------------------|--------------|-------------------|----------------------|--------------|-------------------|
|                 | Less than 1 year     | 1 to 5 years | 5 years and above | Less than 1 year     | 1 to 5 years | 5 years and above |
| Long Term Loan  | -                    | 39.85        | -                 | 40.32                | 199.25       | -                 |
| Short term loan | 3,859.07             | -            | -                 | 4,798.31             | -            | -                 |

**iii. Derivative assets / (liabilities)**

Rs. in lakhs

| Particulars                        | As at March 31, 2020 |              |                   | As at March 31, 2019 |              |                   |
|------------------------------------|----------------------|--------------|-------------------|----------------------|--------------|-------------------|
|                                    | Less than 1 year     | 1 to 5 years | 5 years and above | Less than 1 year     | 1 to 5 years | 5 years and above |
| <b>Net settled:</b>                |                      |              |                   |                      |              |                   |
| Foreign currency forward contracts | (80.87)              | -            | -                 | (36.77)              | -            | -                 |
| <b>Total</b>                       | <b>(80.87)</b>       | -            | -                 | <b>(36.77)</b>       | -            | -                 |

The below tables summarise the fair value of the financial assets / liabilities

**i. Fair value of derivative instruments carried at fair value**

Rs. in lakhs

| Particulars   | As at March 31, 2020 | As at March 31, 2019 | Fair value hierarchy (Level 1, 2 or 3) * |
|---|----------------------|----------------------|--|
| <b>Derivative financial assets (a)</b>                |                      |                      |  |
| - Cross Currency rate swaps                           | -                    | -                    | -  |
| <b>Derivative financial liabilities (b)</b>           |                      |                      |  |
| - Foreign currency forward contracts                  | 80.87                | 36.77                | 2  |
| - Interest rate swaps                                 | -                    | -                    | -  |
| <b>Total</b>  | -                    | -                    | -  |
| Net derivate financial assets / (liabilities) (a - b) | <b>80.87</b>         | <b>36.77</b>         | -  |



**ii. Fair value of financial assets / liabilities ( other than investment in subsidiaries) that are not measured at fair value**

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Level 1 - Quoted price in an active market.

Level 2 - Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contract rates, discounted at a rate that reflects the credit risk of various counterparties.

Level 3 - Discounted cash flow method is used to capture the present value of the expected future economic benefits that will flow to the company.

**Details of outstanding forward exchange contracts #**

| Currency pair               | Currency  | Currency value | Average exchange rate | Nominal value (Rs) | Buy/Sell |
|-----------------------------|-----------|----------------|-----------------------|--------------------|----------|
| <b>As at March 31, 2020</b> |           |                |                       |                    |          |
| USD/INR                     | US Dollar | 1,775,000      | 73.56                 | 130,577,331        | Buy      |
| <b>As at March 31, 2019</b> |           |                |                       |                    |          |
| USD/INR                     | US Dollar | 2,055,648      | 71.95                 | 147,903,874        | Buy      |

**13. Contingent Liabilities**

| Contingent Liabilities not provided for   | As at 31st March, 2020 (Rs. in Lakhs) | As at 31st March, 2019 (Rs. in lakhs) |
|---|---------------------------------------|---------------------------------------|
| a. In respect of guarantees given by the Company  | 600.00                                | 600.00                                |
| b. Letter of credit for purchase of raw-materials   | 797.98                                | 798.81                                |
| c. Claims not acknowledged as debts   | Nil                                   | Nil                                   |
| d. Estimated amount of contracts remaining to be executed on Capital accounts, not provided for | Nil                                   | Nil                                   |
| e. Disputed amount of Central Excise  | 6.32                                  | 45.56                                 |
| f. Disputed amount on Income Tax  | 114.46                                | 114.46                                |
| g. Disputed TDS   | 7.54                                  | 7.54                                  |

No provision has been made in the accounts in respect of disputed amount of sales tax as the company has contested the case and is hopeful of getting the verdict in its favor. Certain claims/show cause notices disputed have neither been considered as contingent liability nor acknowledged as claim, based on the opinion obtained, since the possibility of loss is remote.

**14. Expenditure in Foreign Exchange**

| Expenditures in Foreign Currency | 2019-20 (Rs. in Lakhs) | 2018-19 (Rs. in lakhs) |
|----------------------------------|------------------------|------------------------|
| i) CIF value of Imports          | 386.79                 | 589.58                 |
| ii) Travel                       | 0.13                   | -                      |
| iii) Commission for export sales | -                      | 3.67                   |
| iv) Others (Testing Charges)     | 1.15                   | 1.55                   |

**15. Foreign Exchange Earnings**

| Earnings in Foreign Currency | 2019-20<br>(Rs. in Lakhs) | 2018-19<br>(Rs. in lakhs) |
|------------------------------|---------------------------|---------------------------|
| i) FOB Value of Exports      | 3809.85                   | 4742.72                   |

**16.** Balances of sundry debtors, creditors, advances & deposits received/paid are as per the books of accounts. Letters have been sent seeking confirmation of balances and replies from most of the cases are awaited. Adjustments, if any, will be made in the books of accounts on receipt of such confirmations.

**17. Capacity and Production during the year 2019 – 2020:**

| Capacity & Production   | 2019-20<br>(in MT) | 2018-19<br>(in MT) |
|---|--------------------|--------------------|
| Class of Goods : Intermediate Flexible Containers, Fabric, Components of Jumbo Bags, Liner & Small Bags |                    |                    |
| Licensed Capacity ( in MT)  | 8870.00            | 8870.00            |
| Installed Capacity (in MT)  | 7200.00            | 7200.00            |
| Actual Production (in MT)   | 4517.92            | 6543.21            |

The Installed capacity is technically evaluated as certified by the management and accepted by auditors (per year on a continuous shift basis)

| Description   | 2019-20                 |                    | 2018-19                 |                    |
|---|-------------------------|--------------------|-------------------------|--------------------|
|   | Quantity in MT          | (Rs. in lakhs)     | Quantity in MT          | (Rs. in lakhs)     |
| a. Poly Propylene Granules  | 3438.60                 | 2781.45            | 4751.67                 | 4246.52            |
| b. Others   | 2513.45                 | 2571.64            | 2519.84                 | 2656.97            |
| <b>Total</b>  | <b>5952.05</b>          | <b>5353.09</b>     | <b>7271.51</b>          | <b>6903.49</b>     |
| <b>ii) Consumption of Imported &amp; Indigenous Raw Material, Stores and Spares Parts and the percentage of each to the Consumption:-</b> | <b>% of Consumption</b> | <b>Total Value</b> | <b>% of Consumption</b> | <b>Total Value</b> |
| <b>a. Raw Material</b>  |                         |                    |                         |                    |
| Import  | 34.92%                  | 1838.50            | 20.75%                  | 1413.76            |
| Indigenous  | 65.08%                  | 3426.42            | 79.25%                  | 5398.91            |
| <b>Total</b>  | <b>100.00%</b>          | <b>5264.92</b>     | <b>100.00%</b>          | <b>6812.67</b>     |
| <b>b. Stores and Spares</b>   |                         |                    |                         |                    |
| Import  | -                       | -                  | 10.30%                  | 21.87              |
| Indigenous  | 100.00%                 | 118.01             | 89.70%                  | 190.53             |
| <b>Total</b>  | <b>100.00%</b>          | <b>118.01</b>      | <b>100.00%</b>          | <b>212.40</b>      |



| Description   | 2019-20                               |                      | 2018-19                               |                      |
|---|---------------------------------------|----------------------|---------------------------------------|----------------------|
|   | Quantity in MTS                       | Value (Rs. in lakhs) | Qty in MTS                            | Value (Rs. in lakhs) |
| P. P. Bags , Fabric , Components of Jumbo Bags & Small Bags | 4431.55                               | 8030.00              | 6049.86                               | 10772.86             |
|   | <b>Closing Stock as on 31.03.2020</b> |                      | <b>Closing Stock as on 31.03.2019</b> |                      |
|   | Qty in MTS                            | (Rs. in lakhs)       | Qty in MTS                            | (Rs. in lakhs)       |
| Finished Goods (Inclusive of Excise Duty)                   | 163.65                                | 292.16               | 205.79                                | 401.34               |

The relevant information regarding Turnover, Production, Opening Stock and Closing Stock are given only in aggregate and no detailed breakup thereof is given as the items are too numerous to be conveniently grouped.

### PREVIOUS YEAR FIGURES

Previous year figures have been restated wherever required.

As per our report attached  
for **J.V.RAMANUJAM & CO**  
Chartered Accountants  
Firm's registration no. 002947S

**J. VEDANTHA RAMANUJAM**  
Partner  
Membership No. 022188

Place: Chennai  
Date: 22.06.2020

For and on behalf of the Board

**G S ANIL KUMAR**  
Managing Director  
DIN:00080712

**GPN GUPTA**  
WTD CUM CFO  
DIN: 00086174

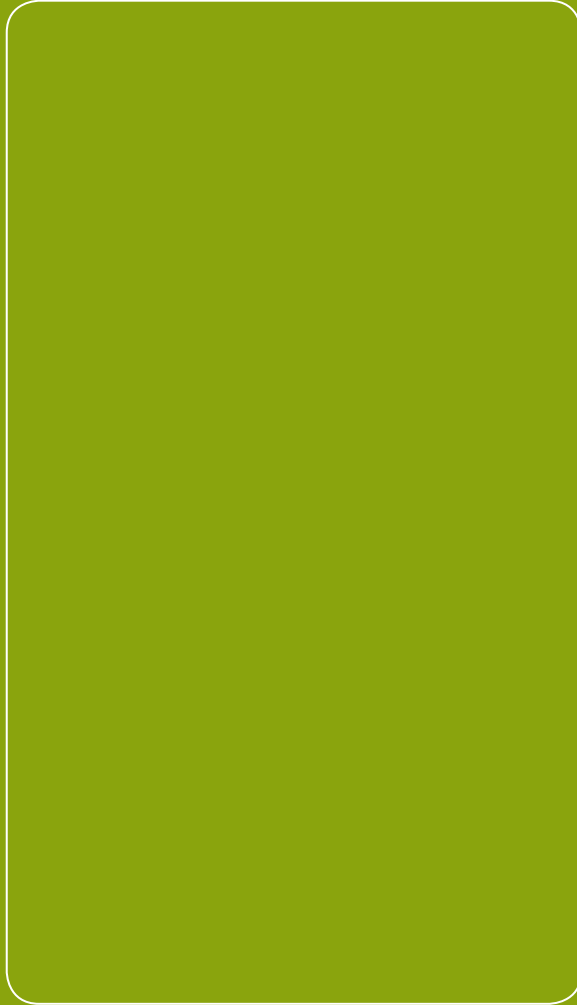
**R.PRAMOD KUMAR**  
Company Secretary

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"S.K. ENCLAVE", New No. 4, (Old No. 47), Nowroji Road,  
Chetpet, Chennai - 600 031. Tamil Nadu, India.  
Phone : 2645 1722, 2646 1415, 2645 2325 Fax : +91-44-2645 1720  
E-mail : [info@blissgroup.com](mailto:info@blissgroup.com) Website: [www.jumbobaglimited.com](http://www.jumbobaglimited.com)