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# Jumbo Bag Limited

ISO 9001 & 14001

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## 2018-2019

### ANNUAL REPORT



WE SHARE OUR JOY



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

(As on 31<sup>st</sup> May 2019)

<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](http://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
- Unit III:** No.110, Peruvoyal Village, Thiruvallur  
District, Tamil Nadu - 601206.

### 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

**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

**GREEN INITIATIVES IN CORPORATE GOVERNANCE**

*The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars, stating that service of notice/ documents including Annual Report can be sent by e – mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e – mail addresses, so far, are requested to register their e – mail addresses in respect of electronic holdings with the depository through their concerned Depository Participants*

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## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 29th Annual General Meeting of the members of JUMBO BAG LIMITED will be held at Narada Gana Sabha Trust Mini Hall, No.314, T.T.K. Road, Chennai - 600018 at 10.00 A.M. on Wednesday, the 31st July, 2019 to transact the following:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2019 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.

### **SPECIAL BUSINESS**

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
Pursuant to the provisions of Sections 149, 152, 161(1) and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri. Rajendra Kumar P (DIN: 00835879), who was appointed as an Additional (Independent) Director of the Company w.e.f May 01, 2019 by the Board of Directors and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from May 01, 2019."

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

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

Place: Chennai

Date: 06/06/2019

### **NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The proxy form duly stamped and executed should be deposited / lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Limited Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.
- Members / Proxies should bring the Attendance slip duly completed, signed and stamped for attending the meeting. Members are requested to bring their copy of the Annual Report. No additional copies will be provided at the venue.
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
- 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 & 3 of this notice is appended. Further, the Company has received relevant disclosure/consent from the Director seeking appointment.
- The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to special business at the meeting, is annexed hereto.
- Members are requested to intimate the Company, queries, if any, regarding the accounts/notice, not less than seven days before the meeting to enable the management to keep the required information readily available at the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 25th July, 2019 to 31st July, 2019 (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 entered into with the Stock Exchanges.
- A route map along with prominent landmark for easy reach to the venue of annual general meeting is annexed with this notice.
- The Company is concerned about the environment and utilizing natural resources in a suitable way. We request you to update your email address with your Depository participant to enable us to send all the communications via email.
- Annual Report 2019 with Attendance Slip and Proxy form are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant (s) for communication purpose unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 are being sent by the permitted mode.
- Members may note that the Notice of the 29th Annual General Meeting and the Annual Report 2019 will also be available on the Company's website [www.jumbobaglimited.com](http://www.jumbobaglimited.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection between working hours 11.00 A.M to 1.00 P.M. except on holidays. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [csjbl@blissgroup.com](mailto:csjbl@blissgroup.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.
- **E Voting & its procedures:**

### **Voting through Electronic Means**

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 29th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 24th July, 2019, 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 e-voting period will commence at 9.00 a.m. on Sunday, 28th July, 2019 and will end at 5.00 p.m. on Tuesday, 30th July, 2019. 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 at the meeting (Insta Poll) 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.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.



- i. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- ii. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- iii. 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 voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- iv. Now, fill up the following details in the appropriate boxes:

<b>For Members 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)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case either of the details is not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on <Company Name> on which you choose to vote.
- xi. 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.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii. Institutional shareholders i.e. other than Individuals, HUF, NRI etc. are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

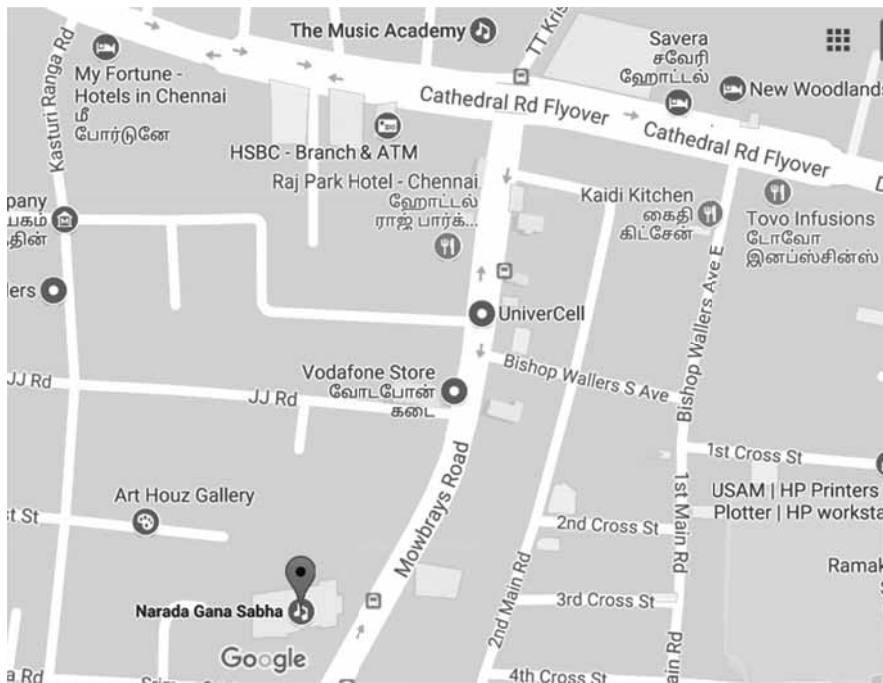
**In case of members receiving the physical copy:**

- Please follow all steps from s. no. (i) to s. no. (xvii) above to cast vote.
- The voting period begins on 28.07.2019 and ends on 30.07.2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24.07.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

- The manner of voting for the members being present in the General Meeting will be on "proportion principle" i.e. one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relating to demand for poll will not be relevant.
- The option of voting by show of hands will not be available for members present in the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, i.e. voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

For your immediate reference, we also give below the location / route map to reach the venue of the Annual General Meeting of the Company.





**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No. 3**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Sri. Rajendra Kumar P (DIN: 00835879) as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Sri. Rajendra Kumar P holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the appointment of Sri. Rajendra Kumar P as a Director of the Company. The Company has also received a declaration from Sri. Rajendra Kumar P confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Sri. Rajendra Kumar P is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Sri. Rajendra Kumar P fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Sri. Rajendra Kumar P, born on May 13, 1970 is a commerce graduate from University of Madras, Fellow Member of the Institute of Chartered Accountants of India and a Graduate Member of the Institute of Cost Accountants of India. He is a Senior Partner of Sanjiv Shah & Associates, Chartered Accountants, Chennai, he is the Head-GST and Indirect Tax Practice of the firm. He is an acknowledged expert on GST, Excise Duty, Service Tax and VAT. Sharing his knowledge at Seminars, Conferences, Workshops, Training Programmes and Lecture Meetings is his passion and has written and presented over 800 papers both in India and outside India. He is elected to the Central Council of Institute of Chartered Accountants of India, New Delhi, Set up by an Act of Parliament, for the term 2019-2022.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no.3 of the Notice for appointment of Sri. Rajendra Kumar P as an Independent Director, not liable to retire by rotation.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company [www.jumbobaglimited.com](http://www.jumbobaglimited.com).

Except Sri. Rajendra Kumar P, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3.



**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>	<b>Rajendra Kumar P</b>
Date of Birth / Age	73	49
Qualification	Graduate in Commerce	Chartered Accountant
Experience	49 years	20 years
Terms and Conditions of Appointment/Re-appointment	-	Appointed as independent Director of the Company for a period of 5 years with effect from 01.05.2019
Date of First Appointment	29/11/1990	-
Expertise in specific General Functional area	Corporate Finance and General Management	Chartered Accountant and expert in the area of GST.
Shareholding in the Company	115873	-
Relationship with other directors and KMP	NA	-
No. of Board meetings attended during FY18-19	6	-
List of outside Directorships held	1. Stanpacks (India) Limited. 2. Ankur Learning Solutions Private Limited	1. Hindustan Chamber of Commerce. 2. International Chamber of Indirect Tax professionals.
Chairman / Member of the Committee of the Board of Directors of the Company	1. Audit Committee- Member 2. Stakeholders' Relationship Committee –Member 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 1. Audit Committee- Member 2. Nomination and Remuneration committee – Member 3. Stakeholders' Relationship Committee – Member 4. Share Transfer Committee - Member	-
Last approved Remuneration drawn	Rs.1,00,000 p.m	-

**DIRECTORS' REPORT**

To the Members,

Your Directors present their 29th Annual Report together with the audited statement of accounts of the Company for the financial year ended 31st March 2019.

**FINANCIAL RESULTS:**

(Rs in Lakhs)

<b>PARTICULARS</b>	<b>2018-19</b>	<b>2017-18</b>
<b>SALES AND OTHER INCOME</b>	11781.16	10741.11
<b>PROFIT BEFORE INTEREST, DEPRECIATION, TAXES &amp; EXCEPTIONAL ITEMS</b>	828.30	703.05
<b>INTEREST</b>	399.13	379.22
<b>DEPRECIATION</b>	178.57	179.18
<b>EXCEPTIONAL ITEMS</b>	151.18	-
<b>PROFIT/ (LOSS) BEFORE TAX</b>	99.42	144.65
<b>TAX EXPENSES</b>	(3.53)	35.37
<b>PROFIT/ (LOSS) AFTER TAX</b>	102.95	109.28
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	102.95	109.28

**OPERATIONS AND FINANCIAL PERFORMANCE:**

The revenue from operations increased to Rs. 11781.16 lakhs from Rs.10741.11 lakhs, up 9.68% YoY for FY 2018-19 on account of competitive pricing and improved production efficiency. The Company has terminated most of the outsourcing contracts and has been manufacturing them in its own plants thereby having better control over pricing which is a most vital factor in the market that is competed by both domestic and international companies.

Finance cost came at Rs.399.13 lakhs for FY 2018-19 from Rs.379.22 lakhs in the previous year increasing by 5.25%. While the finance cost to sales ratio decreased to 3.33% as against 3.53% in FY 2017-18. The Company is making all the efforts to bring down the exposure to credit facilities and thereby reduce the interest composition in the coming years.

Profit before tax and exceptional items for the FY 2018-19 came at Rs. 250.60 lakhs against Rs.144.65 lakhs in the previous year, increasing by 73.24%. PAT is at Rs.102.95 lakhs for FY 2018-19 against Rs.109.28 lakhs in the previous year dropping by 5.79%.

The drop is mainly on account of Rs.351.18 lakhs write-off from insurance claim receivable. The company initiated legal proceedings in 2017 for insurance claim receivable with respect stock and fixed assets loss in 2013 fire accident at one of the units. Though the Company believes that it has a strong case in its favour, the passage of time and the need for taking a conservative view of the matter becomes of utmost importance from the point of view of all stakeholders. Considering this aspect it has been decided to write-off claim receivable to the extent of Rs.351.18 lakhs in the FY 2018-19.

The interest loss due to blockage of funds under GST is valued at over rupees one crore from the beginning of GST implementation and for FY 2018-19 alone it is around Rs.66 lakhs. Now that the refunds are being processed we expect the blockage to come down.

Company is a distributor for IOCL polymer raw materials since 2009. Though the polymer materials were subject to heavy volatility in pricing due to instability in crude oil prices in the international market the division managed to achieve higher sales in FY 2018-19 in comparison to the previous year. This reflected in increased sales commission of Rs.105.39 lakhs in FY 2018-19 against Rs.94.88 lakhs made in in FY 2017-18.

**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 29th Annual General Meeting.

Sri G. Radhakrishna (DIN: 00279233) resigned from the Board with effect from 2nd November, 2018. Sri G. Radhakrishna has been guiding the company since its incorporation.

Sri Gaddam Kumar Reddy (DIN: 00090639) independent Director of the Company has conveyed his desire not to seek re-appointment for the second term. Accordingly, the tenure of Sri Gaddam Kumar Reddy as Director of the Company came to end on 31st March, 2019.

Sri M.V. Ananthakrishna (DIN: 00897536) Independent Director resigned from Board of the Company with effect from 24th April, 2019.

The Board of Directors placed on record their appreciation for the valuable contribution made by Sri G. Radhakrishna, Sri Gaddam Kumar Reddy and Sri M.V. Ananthakrishna for the growth of the Company during their tenure as Director of the Company.

**DIVIDEND:**

The Board of Directors have not recommended any dividend for the financial year ended 31st March 2019 due to inadequate profits. Yet the Company is very positive about the future outlook with increasing sales and 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 31st March 2019, the Company has proposed to carry an amount of Rs.5.80 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.

**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

Pursuant to the provisions of the Companies Act, 2013 a Separate Meeting of Independent Directors was held during the year, in which the Independent Directors evaluated the performance of the non-independent Directors, the Board as a whole including the Chairman 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 2018-19 are as follows:

### 1. No. of Board Meetings: 6

28 <sup>th</sup> April 2018	26 <sup>th</sup> May 2018	13 <sup>th</sup> August 2018
02 <sup>nd</sup> November, 2018	14 <sup>th</sup> January 2019	20 <sup>th</sup> March, 2019

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.

### 2. No. of Audit Committee Meetings: 4

26 <sup>th</sup> May 2018	13 <sup>th</sup> August 2018
02 <sup>nd</sup> November 2018	14 <sup>th</sup> January 2019

### 3. No. of Nomination & Remuneration Committee Meetings: 1 (26.05.2018)

#### • Stakeholder Relationship Committee:

As required under Section 178(5) of the Companies Act, 2013, the Company has constituted Stakeholders' Relationship Committee. The Committee was re-constituted in the board meeting dated 02.11.2018 subsequent to the resignation of committee chairman Sri. G.Radhakrishna from the Board. The reconstituted committee includes Smt. S.Subhashini as Chairperson and Sri. G.P.N. Gupta as member. A meeting of the Committee was held on 20.8.2018 to consider investor grievance received from a shareholder through BSE. The committee looked into the grievance and ensured that appropriate action has been taken to resolve the same.

#### • Share Transfer Committee:

The Committee oversees share transfers, share transmission, issue of duplicate share certificates etc. The Committee was re-constituted in the board meeting dated 02.11.2018 subsequent to the resignation of committee chairman Sri. G.Radhakrishna from the Board. The reconstituted committee includes Smt. S.Subhashini as Chairperson and Sri. G.P.N. Gupta as member. During the year the committee meeting was held on below dates.

No. of meetings: 20

26 <sup>th</sup> June 2018	22 <sup>nd</sup> November 2018
19 <sup>th</sup> July 2018	07 <sup>th</sup> December 2018
10 <sup>th</sup> August 2018	17 <sup>th</sup> December 2018
20 <sup>th</sup> August 2018	14 <sup>th</sup> January 2019
27 <sup>th</sup> August 2018	29 <sup>th</sup> January 2019
10 <sup>th</sup> September 2018	13 <sup>th</sup> February 2019
20 <sup>th</sup> September 2018	22 <sup>nd</sup> February 2019
04 <sup>th</sup> October 2018	8 <sup>th</sup> March 2019
24 <sup>th</sup> October 2018	20 <sup>th</sup> March 2019
05 <sup>th</sup> November 2018	29 <sup>th</sup> March 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. As required under Schedule IV of the Companies Act, 2013, the Independent

Directors held a meeting on 06th March, 2019 without the attendance of the non- independent directors and members of the management.

**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:

1. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. 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.
3. 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 various 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. 0029475) 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 Auditors have made the below remarks in their report on the financials of the Company and response of your Directors is given below:

## **REMARKS MADE IN THE AUDITORS REPORT:**

### **'Emphasis of matter' in the Independent Auditor's Report**

We draw attention to Note no.4 to notes forming part of the financial statements in respect of the status of the insurance claim which is self-explanatory. Our opinion is not modified in respect of this matter.

## **MANAGEMENTS' REPLY:**

As mentioned in Note.4 the Company has filed legal suits with respect to both the stock and fixed asset claims. While the Company believes that it has a strong case which is also supported by an opinion taken from an expert, in view of passage of time in the legal process it has been decided to write-off a partial amount of the claim. Any difference between the claim and actual settlement will be treated as income or expenses when the claim is resolved.

## **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 2018-19 is included as "Annexure [IV]" and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review.

## **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 2018-19, 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 2018-2019 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.

Following is the constitution of committee at Head Office and Factory:

**Constitution of committee at the Head Office:**

Name	Position
Ms. Meena Vijayaraghavan	Presiding Officer
Ms. Rathi Kumari	Independent Member
Sri R. Pramod Kumar	Member
Ms. Chitra	Member

**Constitution of committee at Factory Units:**

Name	Position
Ms. Chitra	Presiding Officer
Ms. Rathi Kumari	Independent Member
Sri R. Pramod Kumar	Member
Ms. Chandrakala N	Member

**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 2018-19, a separate report of Corporate Governance is not disclosed in the Annual Report 2018-19.

**LISTING FEES:**

The Company confirms that it has paid the annual listing fees for the year 2019-20 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 25th July, 2019 to 31st July, 2019 (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 31st March, 2019, 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 31st March, 2019 and of the statement of profit and loss of the Company for the financial year ended 31st March, 2019;
- 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 2018-19	Remuneration for FY 2017-18	Increase in remuneration from previous year	Ratio / times per median of employee remuneration
1	G.S. Anilkumar	Managing Director	17.77	14.28	3.49	8.51
2	G.P.N. Gupta	Whole-time Director Cum CFO	12.00	12.00	0.00	5.75
3	R. Pramod Kumar	Company Secretary	5.08	4.58	0.5	2.44

## Note:

1. The percentage increase in the median remuneration of employees in the financial year is 16.22%.
2. The number of permanent employees on the rolls of company as on 31st March 2019 is 280.
3. The average increase in salaries of employees other than managerial personnel in 2018-19 was 19.40% and that of managerial personnel is 12.93%.
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 ABSORPTION:

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, 2019. 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, 2019.

**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. 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. Many of the workers in the plants come from a under privileged segment and they are provided with proper training and equal opportunities in work for their growth.

**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.

The Company has also conducted various awareness program including Election awareness to stress the importance of voting, Cancer awareness program was conducted through Adayar Institute of Cancer – Chennai.

A General Medical Camp was organized through RG Stone Urology and Laparoscopy Hospitals and Blood Donation Camp was organized through Rotary Club.

**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.

**For and on behalf of the Board**

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

Place : Chennai  
Date : 22.04.2019



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ANNEXURE - I

#### World Economic Conditions

The global economy remained steady in the year 2018 with growth rate of around 3 percent and it is projected to moderate at around 2.9 percent in the year 2019 amid escalating trade disputes, risks financial stress and volatility and an undercurrent of geopolitical situation.

Emerging market and developing economies growth slowed down to 4.2 percentage in 2018 due to difficult external conditions during the year amid trade tensions, rising US interest rates, dollar appreciation, capital outflows, and volatile oil prices. Among the developing economies, the regions of East and South Asia remain on a relatively strong growth trajectory, expanding by 5.8 per cent and 5.6 per cent, respectively in 2018. Many commodity exporting countries, notably fuel exporters, are continuing a gradual recovery, although they remain exposed to volatile prices. While prices have partly recovered, they remain highly volatile and subject to wide fluctuations, as exemplified by the sharp decline in oil prices in the fourth quarter of 2018.

Developed economies expanded at a steady pace of 2.2 per cent in both years, and growth rates in many countries have risen close to their potential, while unemployment rates in several developed economies have dropped to historical lows. At the same time, several developed economies are facing capacity constraints, which may constrain growth in the short term. Advanced-economy growth will gradually decelerate toward potential, falling to 1.5 percent by the end of the forecast horizon, as monetary policy is normalized and capacity constraints become increasingly binding.

#### Uncertainties and risks

Though many economies are showing uptrend in their growth and there is being stability in the market yet the investment and productivity may get affected due to rising geopolitical tensions and trade wars between the countries to boost their own economy which would lead to unilateral policies affecting the global free trade.

Escalation of trade tensions between countries remains a key source of risk to the outlook. The tensions between major countries like United States and China along with exit of United Kingdom from European Union without any deal would trigger a downside risk for global growth. The economies need to resolve cooperatively and quickly their trade disagreements and the policy uncertainty to avoid potential destabilization of global economy.

If countries resolve their differences without raising distortive trade barriers further and market sentiment recovers, then improved confidence and easier financial conditions could reinforce each other to lift growth above the forecast.

#### Indian Economic Conditions

Fiscal 2019 was a year of recovery for India from demonetisation and the initial disruption caused by the Goods and Service Tax implementation. On the other hand introduction of a Goods and Services Tax and steps toward demonetization are expected to encourage a shift from the informal to the formal sector.

During the financial year 2018-19 India's growth accelerated to an estimated 7.3 percent as economic activity continued to recover with strong domestic demand. While investment continued to strengthen amid GST harmonization and a rebound of credit growth, consumption remained the major contributor to growth. However, rising interest rates and currency volatility are weighing on activity.

The Indian economy is expected to expand by 7.6 and 7.4 per cent in 2019 and 2020, respectively. The economy benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease.

During financial year 2018-19 overall investment rebounded mainly due to government spending in construction of roads, highways and housing. But the private investment was seen only in selected areas. For the financial year 2019-2020 support of private investment would be necessary to sustain the growth of the economy.

In the financial year 2018-19 exports performed well with easing of constraints in GST and growth in global economy. However, going forward, export growth faces risks of weakening global trade growth owing to escalating trade wars. As per World Bank's report Global Economic Prospects, growth among advanced economies is expected to drop to 2 per cent this year, against an estimated 2.2 per cent in 2018.

The current account deficit of the economy is expected to reduce with slowdown in the import growth driven by low oil prices. However, export growth is also expected to slow on account of lower global GDP growth and weakening global trade growth on account of escalating trade wars.

The overall outlook for South Asia which includes India is robust, despite the financial stress that has affected a number of emerging and developing countries and continued trade disputes. Regional growth is expected to accelerate in 2019, to 7.1 percent. Economic activity will be supported by solid investment and robust consumption. Though exports and imports will be held back owing to slowing global trade, the region since having relatively low exposure to international trade will mitigate the impact of this slowdown on the regional outlook.

Non-performing assets (NPAs) are still high despite recent measures taken to improve the recognition of these assets. Especially, public sector banks in India, which represent roughly 70 percent of the banking sector assets, still report low profitability and high NPAs. Credit expansion could be limited in the economy unless further steps are taken to deal with financial and corporate balance sheets.

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

One of the significant factors towards the growth of global FIBC bags market is the ease of transport and move bulk material from one place to another. Moreover, the manufacturers save huge in transport and storage cost as the usage of jumbo bags has nullified the use of pallets and secondary packaging, which will drive the growth of the FIBC bags market. Further with rise in industrialization and increasing export and import trade the need for FIBC bags is only going grow further. Other factors which encourage their use by industry is the reusability feature and recyclable property of these bags

India is now gaining the centrestage in the global packaging industry and has about 42 per cent of the global market share of FIBCs. There are 100 players in the Indian FIBC industry and 10 have large capacities. Globally, there's competition from China, Turkey and some South American nations. However, increasingly Indian counterparts seem to be gaining market share with expected growth rate of 10 to 15 percent. As for as the global market for FIBC bags various research shows that it has the potential to achieve CAGR of 6.80% during the period 2018-2023.

In terms of revenue generation North America has been a profitable market for the FIBC manufacturers. The Intensely competitive industrial sectors and a large density of verticals is spurring the demand for regional bulk bags market. Europe is also having the same kind of profitability as the region shares similarities with North America. Furthermore, growing eco-awareness in the region is influencing the market as FIBC bags can also be reused which makes it eco-friendlier.

In terms of end users the FIBC are used widely in various industry like chemical and fertilizers, food, pharmaceuticals, mining, and others. The company is also supplying to various entities in those industries in different countries.

### **Strengths and Opportunities:**

Your Company's core competency lies in manufacturing of Flexible Intermediate Bulk Containers (FIBC). Over the years, the Company consistently augmented the scale of operations, built capabilities of people, and developed indigenous, specialized products.

The Company offers all range of FIBC for packaging with customized design that is used in different industries like food products, chemicals, pharma in various countries thereby giving leverage over the competitors.

Company believes in quality manufacturing and adherence to global practices. In line with this company has an in house state of art facility to ensure the quality of products. Further the quality practices have also been certified as per the standard.

The Company caters to both domestic and international market such as USA, Middle East, Europe, Australia, Africa, South East Asia, South America, China to entities operating in various industries providing vast opportunity for expansion of market base.

### **Weakness and Threats:**

Operating margin remains susceptible to fluctuations in the prices of key input i.e. polymer, which move in tandem with crude oil prices. Also, your company has been exporting FIBC products which is susceptible to currency fluctuation. However, this is hedged by executing forward contracts, thereby mitigating forex rate fluctuation risk.



The FIBC industry is fragmented because of low entry barrier as capital and technology requirements are limited, gestation period is small, and raw materials are easily available. This restricts substantial scale up in operations and exerts pricing pressure.

The FIBC industry being highly labour intensive the retaining of workers has been high priority for the Company. Attrition of workers may affect the production and also involves cost and time in inducting and training of new appointees. The Company provides all the necessary benefits and facilities to the workers to retain them for a long period.

### 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 2019	Results 2018	Growth %
Sales and other income	11781.16	10741.11	9.68%
Profit before interest, Depreciation, taxes & exceptional items	828.30	703.05	17.82%
Profit/ (Loss) before tax	99.42	144.65	-31.27%
Profit/ (Loss) after tax	102.95	109.28	-5.79%

The revenue of the Company for FY19 grew by 9.68% compared to 6.45% in the previous year. The jump in revenue was largely an outcome of higher demand in the market and increase in the productivity to meet the market requirement. The Company has taken various initiatives for higher productivity including conducting training programmes, and providing incentive to the workers which have given a desirable outcome in the FY19.

The Profit before interest, Depreciation, taxes & exceptional items has gone up by 17.82% against down by 1.06% in the prior year as a result of higher sales realization, while the profit before tax dropped by -31.27% against increase of 33.32% in the earlier year due to Rs. 351 lakhs write-off on the insurance claim owing to legal process taking longer time.

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. The sales of the division have been on positive trend during the year despite the stiff competition and volatility in the prices of polymers.

During the period the Tamil Nadu Government announced plastic ban effective from 1st January 2019. The ban will not have major impact on the Company as the customer share on this product range is very minimal. We will be also shifting our focus to different grades for maintaining and enhancing volumes for sale.

### 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 employees are provided with proper training and good facilities to ensure a safe and productive workplace. The Company is also in the process of implementing Total Productive Maintenance (TPM) which strives to achieve continuous production without any limitation. It also ensures no accidents in production process thereby ensuring a safe working environment. There have been no major disputes during the financial year and the Company enjoys cordial relationship with all its employees.

**Risks and Concerns**

The FIBC market is very competitive on account of both the organized and unorganized players. The pricing of the products has to be with thin margin to stay ahead in the market. The Company has implemented various strategies including technological updation to keep the cost in control and increase the margins.

**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 FY19 operating profit margin is 2.13% compared 1.35% in the previous financial year. The operating margin has increased on account of increase in the sales and realization during the year.

The return on net worth (RONW) for the FY19 is Rs.12.29% against 13.05% in the prior year. The drop in RONW is as a result of decline in net profit from Rs.109.28 lakhs to Rs.102.95 lakhs due to insurance claim write-off.

**Future Outlook:**

The demand outlook remains favorable for FIBC in both domestic and international markets on the back of increased conversion from other forms of packaging, together with an increasing demand from end-user segments. With increasing global trade the demand for FIBC bags will only growth further in the coming years.

**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.

**References:**

1. World Economic Report Jan 2019 (IMF)
2. World Economic Situation and Prospects 2019 (United Nations)
3. Global Economic Prospects Jan 2019 (World Bank Group)
4. Economic times

**For and on behalf of the Board**

Place : Chennai  
Date : 22.04.2019

**SMT. RENUKA MOHAN RAO**  
**Chairman**  
DIN: 07542045



**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 31.03.2019**

**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 No.1, Club House Road 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	95.75%

**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
NIL					

**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	1009497	0	1009497	12.06	1010297	0	1010297	12.07	0.01
b) Central Govt	0	0	0	0.00	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp	2632200	0	2632200	31.43	2632200	0	2632200	31.43	0.00

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	
e) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
f) Any other	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-total (A) (1):</b>	<b>3641697</b>	<b>0</b>	<b>3641697</b>	<b>43.49</b>	<b>3642497</b>	<b>0</b>	<b>3642497</b>	<b>43.50</b>	<b>0.01</b>
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
e) Any Other	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter(A) = (A) (1) + (A) (2)</b>	<b>3641697</b>	<b>0</b>	<b>3641697</b>	<b>43.49</b>	<b>3642497</b>	<b>0</b>	<b>3642497</b>	<b>43.50</b>	<b>0.01</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	0.00	0	0	0	0	0.00
d) State Government(s)	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
g) FIIs	0	0	0	0.00	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (Specify)	0	0	0	0.00	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	127498	5600	133098	1.59	94376	5600	99976	1.20	(0.39)



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) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1,00,000	1711116	719588	2430704	29.03	1672069	686988	2359057	28.17	(0.86)
ii) Individual shareholders holding nominal share capital in excess of Rs.1,00,000	1800589	178000	1978589	23.63	1909356	178000	2087356	24.93	1.30
c) Others :									
i) Clearing Members	477	0	477	0.01	4250	0	4250	0.05	0.04
ii) Hindu Undivided Families	149582	0	149582	1.79	140411	0	140411	1.68	(0.11)
iii) Non-Resident Indians	6353	17500	23853	0.28	10053	14400	24453	0.29	0.01
<b>Sub-total (B) (2):</b>	<b>3795615</b>	<b>920688</b>	<b>4716303</b>	<b>56.32</b>	<b>3830515</b>	<b>884988</b>	<b>4715503</b>	<b>56.31</b>	<b>(0.01)</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>3795715</b>	<b>936288</b>	<b>4732003</b>	<b>56.52</b>	<b>3830515</b>	<b>884988</b>	<b>4715503</b>	<b>56.31</b>	<b>(0.01)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>7437412</b>	<b>936288</b>	<b>8373700</b>	<b>100</b>	<b>7473112</b>	<b>900588</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		2632200	31.43	1457025	0.00
2	G.P.N.Gupta	115873	1.38		115873	1.38	0.00	0.00
3	G.Radhakrishna	100495	1.20		100495	1.20	0.00	0.00
4	Dr.Gaddam Kumar Reddy	75230	0.90		75230	0.90	0.00	0.00
5	G.S.Anilkumar	32550	0.39		32550	0.39	0.00	0.00
6	G.P.Ramraj	35500	0.42		35500	0.42	0.00	0.00
7	G.Sudhakar	50300	0.60		50300	0.60	0.00	0.00
8	G.V.Balaji	40500	0.48		40500	0.48	0.00	0.00
9	G.V.Gopinath	28000	0.33		28000	0.33	0.00	0.00
10	G.V.Jayalakshmi	88250	1.05		88250	1.05	0.00	0.00
11	G.S.Jwala	6000	0.07		6800	0.08	0.01	0.00
12	G.R.Latharani	72500	0.87		72500	0.87	0.00	0.00
13	G.S.Rajasekar	51550	0.62		51550	0.62	0.00	0.00
14	G.P.Ravichandran	25100	0.30		25100	0.30	0.00	0.00
15	G.S.Sarojini	50750	0.61		50750	0.61	0.00	0.00
16	G.R. Mahalakshmi	20004	0.24		20004	0.24	0.00	0.00
17	G.R.Pragathi	48100	0.57		48100	0.57	0.00	0.00
18	G.S.Sridhar	31550	0.38		31550	0.38	0.00	0.00
19	G.S.Srinivas	31550	0.38		31550	0.38	0.00	0.00
20	G.V.Chalapathi	12800	0.15		12800	0.15	0.00	0.00
21	G.B.Rachitha	6667	0.08		6667	0.08	0.00	0.00
22	G.Sangeetha	19167	0.23		19167	0.23	0.00	0.00
23	G.S.Vijayalakshmi	6000	0.07		6000	0.07	0.00	0.00
24	G.R.Reena	6000	0.07		6000	0.07	0.00	0.00
25	G.A.Nandini	6000	0.07		6000	0.07	0.00	0.00
26	G.Ahalya	29900	0.36		29900	0.36	0.00	0.00
27	G.V.Satish Kumar	18161	0.22		18161	0.22	0.00	0.00
28	G.R.Achyutha	1000	0.01		1000	0.01	0.00	0.00



(iii) Change in Promoters' Shareholding

S.No.	Name of the Promoter	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
1	<b>G.S.JWALA</b>				
	At the beginning of the year	6800	0.07	6000	0.59
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Transfer 18.12.2018 - 800	0.0095	6800	0.08
	At the End of the year	6800	0.60	6800	0.08

(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	296513	3.54	25.01.2019	-1775	Sale	294738	3.52
				01.02.2019	-8126	Sale	286612	3.42
				08.02.2019	-1000	Sale	285612	3.41
2	Kamal Kumar Keshwani	162128	1.94	-	-	-	162128	1.94
3	DR Sheela Swamy	212262	2.53	-	-	-	212262	2.53
4	Mita Dipak Shah JT1 : Dipak Kanayalal Shah JT2 : Sharad Kanayalal Shah	140000	1.67	-	-	-	140000	1.67
5	Muralidhar G	114200	1.36	27.04.2018	-100	Sale	114100	1.36
				11.05.2018	1619	Purchase	115719	1.38
				01.06.2018	-100	Sale	115619	1.38
				19.10.2018	-100	Sale	115519	1.38
				14.12.2018	195	Purchase	115714	1.38
				08.03.2019	60	Purchase	115774	1.38
				15.03.2019	50	Purchase	115824	1.38
				22.03.2019	527	Purchase	116351	1.39
6	T V Subba Rao	95000	1.13				95000	1.13
7	Subramanian P	71600	0.86				71600	0.86

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8	Ravikant Chowdhary	64548	0.77				64548	0.77
9	Ramswarup M Gorantla	50500	0.60				50500	0.60
10	D Radhakrishnan	5840	0.07	25.05.2018	2765	Purchase	8605	0.10
	(FOLIO/DP_CL_ID)			29.06.2018	11471	Purchase	20076	0.24
				06.07.2018	3960	Purchase	24036	0.29
				13.07.2018	2130	Purchase	26166	0.31
				20.07.2018	1746	Purchase	27912	0.33
				03.08.2018	2681	Purchase	30593	0.36
				24.08.2018	600	Purchase	31193	0.37
				31.08.2018	4294	Purchase	35487	0.42
				07.09.2018	513	Purchase	36000	0.43
				28.09.2018	11350	Purchase	47350	0.56
				12.10.2018	3809	Purchase	51159	0.61
				19.10.2018	399	Purchase	51558	0.62
				02.11.2018	2021	Purchase	53579	0.64
				30.11.2018	3120	Purchase	56699	0.68
				21.12.2018	56699	0	0.00	0.77
	(FOLIO/DP_CL_ID) IN30017510177894	0.00	0.00	14.12.2018	3224	Purchase	3224	0.038
				21.12.2018	61799	Purchase	65023	0.78
				28.12.2018	19297	Purchase	84320	1.00
				31.12.2018	401	Purchase	84721	1.01
				04.01.2019	1583	Purchase	86304	1.03
				11.01.2019	145	Purchase	86449	1.03
				18.01.2019	6423	Purchase	92872	1.10
				08.02.2019	87	Purchase	92959	1.11
				15.02.2019	6541	Purchase	99500	1.19
				22.02.2019	1970	Purchase	101470	1.21
				15.03.2019	175	Purchase	101645	1.21
				29.03.2019	2035	Purchase	103860	1.24



(v) Shareholding of Directors and Key Managerial Personnel: NIL

Sl. No.	Shareholding of each Directors and Key Managerial Personnel	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				
	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				

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. 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	4631.23	171.33	-	4802.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4631.23</b>	<b>171.33</b>	<b>-</b>	<b>4802.56</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	325.50	66.95	-	392.45
· Reduction	-46.26	-	-	-46.26
<b>Net Change</b>	<b>279.24</b>	<b>66.95</b>	<b>-</b>	<b>346.19</b>
<b>Indebtedness at the end 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>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Rs. 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			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	17.77	29.77
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	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 - as % of profit - others	0.00	0.00	0.00
5.	Others – Retirement Benefits	0.00	0.00	0.00
	<b>Total (A)</b>	<b>12.00</b>	<b>17.77</b>	<b>29.77</b>
	Ceiling as per the Act	84.00	84.00	-

## B. REMUNERATION TO OTHER DIRECTORS:

(Rs. in lakhs)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri M.V. Ananthakrishna	Sri Gaddam Kumar Reddy	Smt. Renuka Mohan Rao	Smt. S Subhashini	
1.	1. Independent Directors					
	· Fee for attending board/ committee meetings	0.40	0.00	0.10	2.20	3.7
	· Commission	-	-	-	-	-
	· Others	-	-	-	-	-
	<b>Total (1)</b>	<b>0.40</b>	<b>0.00</b>	<b>1.10</b>	<b>2.20</b>	<b>3.7</b>
2.	Other Non-Executive Directors	Sri G.Radha krishna				
	· Fee for attending board/ committee meetings	1.30	-	-	-	1.30
	· Commission	-	-	-	-	-
	· Others	-	-	-	-	-
	<b>Total (2)</b>	<b>1.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.30</b>
	<b>Total (B) = (1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.00</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34.77</b>
	Overall Ceiling as per the Act					-



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

(Rs. in lakhs)

S.No.	Particulars of Remuneration	Key Managerial Personnel	
		CS	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.08	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit - others		
5.	Others	-	-
	<b>Total</b>	<b>5.08</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**

Place : Chennai  
Date : 22.04.2019

**RENUKA MOHAN RAO**  
Chairman  
DIN: 07542045

## 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:-

Particulars	2018-19	2017-2018
Power and Fuel Consumption		
Electricity (includes from TNEB, Wind and Coal)		
<b>(a) Purchased:</b>		
Unit	5691136	5383102
Total amount	39451876	33829957
Rate/unit	6.93	6.28
<b>(b) Through diesel generator</b>		
Unit	156057	123377
Unit per liter of Diesel oil	3.00	3.1
Cost/unit	23.79	20.31
Diesel (in liters)	52019	39979

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

Particulars	2018-19	2017-2018
<b>Expenditure on R &amp; D:</b>	(Rupees in lakhs)	
Capital Expenditure	Nil	Nil
Revenue	-	-
<b>Total</b>	-	-
Total R&D expenditure as a percentage of total turnover	-	-

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	2018-2019	2017-2018
<b>Foreign exchange outgo:</b>	(Rupees in lakhs)	
C.I.F Value of Imports	589.58	602.50
Travel	-	0.47
Commission (for export sales)	3.67	5.65
Testing charges	1.55	NIL
<b>Total</b>	<b>594.80</b>	<b>608.62</b>
<b>Foreign exchange Earned</b>		
F.O.B. Value of Exports	4742.72	4339.76

For and on behalf of the Board

**RENUKA MOHAN RAO**  
Chairman  
DIN: 07542045

Place : Chennai  
Date : 22.04.2019



## ANNEXURE IV

### SECRETARIAL AUDIT REPORT

for the financial year ended 31.03.2019

*[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 31st March, 2019, 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 new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February, 2019(Regulation 24A of SEBI (LODR), Regulations, 2015).

- (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 Exchange,
- (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, 2019 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. However, the Regulation 24A relating to Secretarial Compliance Report is not applicable to the Company for the period under review;
    - (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.



- 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 Transboundary 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.

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, 1998
4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
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, and 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 that took place during the period under review were carried out in compliance with the provisions of the Act.

Notices 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:

1. The Company's Independent Director, Mr. Gadam Kumar Reddy has not opted for re-appointment and hence was not appointed for II Term.
2. 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: 18.04.2019**

**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**

**Place: Chennai**

**Date: 18.04.2019**



## INDEPENDENT AUDITORS' REPORT

### To the Members of Jumbo Bag Limited

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Jumbo Bag Limited, Chennai, which comprise the Balance Sheet as at March 31, 2019, 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.

#### 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our Audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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, 2019; and its Profit, Total Comprehensive Income, the changes in Equity, and Cash Flows for the year ended on that date.

#### Emphasis of Matters:

We draw attention to Note no.4 to notes forming part of the financial statements in respect of the status of the insurance claim which is self explanatory. Our opinion is not modified in respect of this matter.

**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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 April, 2019**

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



## **"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, Chennai ("the Company"), for the year ended March 31, 2019)

- 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.
- (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.
- (c) In our opinion, the company has maintained proper records of inventory. We are informed that no major discrepancies were noticed on verification between the physical stock and book records.
- 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, and on the basis of our examination of the books of account, and records, 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. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues mentioned above were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) 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

Sl No.	Name of the Statute	Nature of Dues	Demand (incl Penalty)	Amount Not provided	Forum where the dispute is pending
1	Excise Duty	Whether Value of Deemed Export shall be considered for Arriving At DTA Sale Eligibility (Difference Of Duty For Disallowed Deemed Export Portion	12.69	12.69	Appeal pending with Supreme Court
2	Excise Duty	Advance release order (ARO)-non-payment of CVD.	26.55	26.55	Case remanded in Tribunal
3	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
4	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
5	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
6	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
7	Income Tax Act	Notice u/s 143/(3) dt 14.03.14 – AY 2011-12	53.38	53.38	Appeal made with CIT
8	Income Tax Act	Order passed u/s 154 dt 14.02.2017 – AY 2013-14	4.99	4.99	Pursued with I.T authorities.
		<b>TOTAL</b>	<b>160.02</b>	<b>160.02</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 : 22nd April, 2019**

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



**“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, 2019 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, 2019, 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 : 22nd April, 2019**

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

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019**

(Rs. in Lakhs)

Particulars	Note	As at 31 <sup>st</sup> March 2019 (Ind AS)	As at 31 <sup>st</sup> March 2018 (Ind AS)
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2.1	2,652.55	2,750.29
(b) Capital Work-In-Progress		20.87	-
(c) Financial Assets		-	-
i) Investments	2.2	2.57	5.86
ii) Loans	2.3	140.87	138.65
(d) Other Non-current Assets	2.4	391.00	770.32
		<b>3,207.86</b>	<b>3,665.12</b>
<b>Current Assets</b>			
(a) Inventories	2.5	2,483.25	2,525.52
(b) Financial Assets			
i) Trade receivables	2.6	3,079.09	2,799.50
ii) Cash and cash equivalents	2.7	162.07	235.40
iii) Loans	2.8	764.51	730.44
(c) Other Current Assets	2.9	210.30	210.30
(d) Assets held for Sale	2.10	64.08	64.08
		<b>6,763.30</b>	<b>6,565.24</b>
<b>Total Assets</b>		<b>9,971.16</b>	<b>10,230.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	2.11	878.17	878.17
(b) Other Equity	2.12	2,055.20	1,964.51
		<b>2,933.37</b>	<b>2,842.68</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	2.13	199.25	141.26
(b) Provisions	2.14	1.01	27.62
(c) Deferred Tax Liabilities (net)	2.15	205.09	243.87
(d) Other Non-current liabilities	2.16	140.92	142.72
		<b>546.27</b>	<b>555.47</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
i) Borrowings	2.17	4,838.63	4,570.81
ii) Trade payables	2.18	1,412.31	1,813.09
(b) Provisions	2.19	194.39	400.31
(c) Other current liabilities	2.20	46.19	48.00
		<b>6,491.52</b>	<b>6,832.21</b>
<b>Total Equity and Liabilities</b>		<b>9,971.16</b>	<b>10,230.36</b>

Significant accounting policies &amp; Notes to accounts 1 to 18

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: 22.04.2019

**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 2019**

(Rs. in Lakhs)

Particulars	Note	For the year ended March 31, 2019 (Ind AS)	For the year ended March 31, 2018 (Ind AS)
Revenue from operations	2.21	11,746.96	10,696.49
Other income	2.22	34.20	44.62
<b>Total Income</b>		<b>11,781.16</b>	<b>10,741.11</b>
<b>Expenses</b>			
Cost of materials consumed	2.23	6,839.03	6,337.73
Changes in inventories and finished goods	2.24	102.94	17.49
Employee benefits expenses	2.25	1,110.11	970.81
Excise duty		-	122.46
Depreciation and amortization expense	2.1	178.57	179.18
Finance costs	2.26	399.13	379.22
Other expenses	2.27	2,900.78	2,589.57
<b>Total expenses</b>		<b>11,530.56</b>	<b>10,596.46</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>250.60</b>	<b>144.65</b>
Exceptional items	2.28	151.18	-
<b>Profit / (loss) before tax</b>		<b>99.42</b>	<b>144.65</b>
Current tax		35.85	53.64
Less: Tax adjustment of Prvs year		(0.60)	(19.22)
Deferred tax		(38.78)	0.95
<b>Total tax expense</b>		<b>(3.53)</b>	<b>35.37</b>
<b>Profit / (loss) for the year</b>		<b>102.95</b>	<b>109.28</b>
Other comprehensive income		-	-
Items that will not be reclassified subsequently to (profit) or loss		(12.26)	(31.46)
Remeasurements of defined benefit liability (asset)			
Net other comprehensive income not to be reclassified to profit or loss		(12.26)	(31.46)
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)	(31.46)
Total comprehensive income / (loss) for the year		90.69	77.82
Earnings per share			
Basic earnings per share		1.23	1.31
Diluted earnings per share		1.23	1.31

Significant accounting policies & Notes to accounts 1 to 18

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: 22.04.2019

**G S ANIL KUMAR**

Managing Director

DIN:00080712

**GPN GUPTA**

WTD & CFO

DIN: 00086174

**R.PRAMOD KUMAR**

Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2019**

Rs. in lakhs

(A) Equity share capital	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
<b>8373700 Equity shares of Rs.10 each</b>	837.37	-	837.37
408000 forfeited shares @ Rs.10 each	40.80	-	40.80
	878.17	-	878.17

Rs. in lakhs

(B) Other Equity	Opening balance as at 1 Apr 2018	Changes in accounting policy/ prior period errors	Restated balance as at 1 April 2018	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Any other change (to be specified)	Closing balance as at 31 Mar 2019
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	31.63	-	31.63	-	-	-	5.80	37.43
Revaluation Reserves	1,282.49	-	1,282.49	-	-	-	(5.80)	1,276.69
Other comprehensive income / loss	(34.21)	-	(34.21)	(12.26)	-	-	-	(46.47)
Surplus / (deficit) balance in the statement of profit and loss account	107.07	-	107.07	102.95	-	-	-	210.02
<b>Total reserves</b>	<b>1,964.51</b>	<b>-</b>	<b>1,964.51</b>	<b>90.69</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>2,055.20</b>

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

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

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

Place: Chennai  
Date: 22.04.2019

**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, 2019**

(Pursuant to clause 32 of the Listing Agreement)

(Rs. in Lakhs)

	Apr'18 to Mar'19		Apr'17 to Mar'18	
<b>A Cash Flow from Operating Activities :</b>				
<b>Profit before tax</b>		99.42		144.65
Adjustments for :				
Prior period adjustments - Profit / (Loss)		-		-
Depreciation	178.57		179.18	
Deferred tax liabilities (net)	(38.78)		0.95	
Foreign exchange (gains)/Losses	-		-	
(Profit) / Loss on sale of asset	26.53		4.14	
Interest Expenses	399.13		379.22	
Interest Income	(17.25)		(33.10)	
		548.20		530.39
<b>Operating profit before working capital</b>		647.62		675.04
Adjustments for Changes in				
Trade payables - Increase / (Decrease)	(400.78)		224.32	
Long term provisions- Increase / (Decrease)	(38.87)		(15.01)	
Short term provisions - Increase / (Decrease)	(205.92)		(35.09)	
Other current liabilities- Increase / (Decrease)	(22.19)		(4.39)	
Other long term liabilities - Increase / (Decrease)	36.98		4.84	
Trade receivables - (increase) / Decrease	(279.59)		714.16	
Inventories - (increase) / Decrease	42.27		56.78	
Long term Loans and advances - (Increase) / Decrease	(2.22)		(23.89)	
Short term loans and advances - (increase) / Decrease	(34.07)		(297.66)	
Other current assets - (increase) / Decrease	0.00		2.64	
Other non current assets - (increase) / Decrease	379.32		(7.45)	
		(525.07)		619.25
Cash generated from operations		122.55		1,294.29
Income taxes paid (Net of refunds)		(35.25)		(34.42)
<b>Net Cash from Operating activities</b>		<b>87.30</b>		<b>1,259.87</b>
<b>B Cash Flow from Investing Activities :</b>				
Purchase of fixed assets / WIP	(128.23)		(271.41)	
Proceeds from sale of fixed assets				
Purchase of Investments	3.29		0.07	
Sale of investments	-		-	
		(124.94)		(144.17)
<b>Net cash used in Investing Activities</b>		<b>(124.94)</b>		<b>(144.17)</b>

	<b>Apr'18 to Mar'19</b>		<b>Apr'17 to Mar'18</b>	
<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)		81.90	
Borrowings for working capital purposes	267.82		(591.41)	
Finance / Lease Liabilities - Increase / (Decrease)	124.63		(81.12)	
Investment in Subsidiaries	-		-	
Interest Expenses	(399.13)		(379.22)	
Interest Income	17.25		33.10	
Dividend paid (Including Tax on dividend)	-		-	
		(35.69)		(936.75)
<b>Net cash used in Financing Activities</b>		<b>(35.69)</b>		<b>(936.75)</b>
<b>D Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>(73.33)</b>		<b>51.78</b>
Cash and Cash equivalents as at 01.04.2018		235.40		183.62
Cash and Cash equivalents as at 31.03.2019		162.07		235.40
<b>E Net (Increase) / Decrease in Cash and Cash Equivalents</b>		<b>73.33</b>		<b>(51.78)</b>

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: 22.04.2019

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

#### 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

##### 1.1 Recent Accounting Pronouncements

###### Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying the standard Ind AS 115 'Revenue from Contracts with Customers' and amendments to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'. The notified standard and the amendment are applicable to the Company from 1 April 2018.

###### Ind AS 115 'Revenue from Contracts with Customers'

"Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has evaluated the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements and it expects no material impact on adoption of the same."

###### Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'

"The amendment to Ind AS 21 applies to entities for foreign currency consideration paid or received in advance. The amendment requires such advance paid or deferred liability to be restated using the spot rate as of the date of such a transaction.

The Company has evaluated the potential impact of the adoption of Ind AS 21 on accounting policies followed in its financial statements and it expects no material impact on adoption of the same."

##### 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.

Beginning April 1, 2017, the company has for the first time adopted Ind AS with a transition date of April 1, 2016. The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

##### 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 17 - 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)

- 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.
- 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.
- Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.
- 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.
- 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.
- Individual assets whose cost is less than Rs. 5,000 are fully depreciated.
- Leasehold land / Improvements thereon are amortized over the primary period of lease.
- 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.



## **Derecognition 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**

Leases are classified as finance leases 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.

#### **The Company as lessee**

##### **Finance lease:**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

##### **Operating lease:**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **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.

**1.30 First-Time Adoption - Mandatory Exceptions & Optional Exemptions****1.30.1 Overall Principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required under Ind AS, not recognising items of assets and liabilities which are not permitted under Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

**1.30.2 Derecognition of financial assets and financial liabilities**

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

**1.30.3 Classification of debt instruments**

The company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

**1.30.4 Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**1.30.5 Deemed cost for property, plant and equipment and investment property**

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

**1.30.6 Determining whether an arrangement contains a lease**

The company has applied Appendix C of Ind AS 17 - Leases determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**1.31 Critical Accounting Judgements And Key Sources Of Estimation Uncertainty**

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may effect the application of accounting policies, reported amounts and related disclosures.

These judgments and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgements and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the financial statements represent as accurately an outlook as possible for the group. These judgements and estimates only represent our interpretation as of the dates on which they were prepared.

Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.



**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 18 to Mar 19				Net block	
	As at 1 April 2018	Additions	Deletion	Sub total	Disposals	As at 31 Mar 2019	Accumulated Depreciation 1.4.2016 to 31.3.2018	Depreciation charge for 1.4.2018 to 31.3.2019	Revaluation charge for 1.4.2018 to 31.3.19	Deductions / Other adjustments	As at 31 Mar 2019	As at 31 Mar 2018
Land												
Owned	1,200.00			1,200.00	-	1,200.00	-				1,200.00	1,200.00
Buildings												
Owned	743.27			743.27		743.27	78.28	34.90	5.82	119.00	624.27	664.99
Assets and Lease												
Leasehold improvements												
Plant and Equipment												
Owned	1,019.46	27.26	31.81	1,014.91		1,014.91	219.40	114.47		15.42	318.45	800.06
Assets under lease		57.86		57.86		57.86		0.69		0.69	57.17	
Furniture and Fixtures												
Owned	13.57	3.51		17.08		17.08	6.72	2.09		8.81	8.27	6.85
Assets under lease												
Vehicles												
Owned	17.42	0.80	4.37	13.85		13.85	10.65	0.06		1.67	9.04	6.77
Assets under lease	22.49			22.49		22.49	2.90	3.68		6.58	15.91	19.59
Office equipment												
Owned	51.28	8.84	-	60.12		60.12	17.50	14.16		31.66	28.46	33.78
Assets under lease												
Electrical & Electronic equipments												
Owned	31.04	1.68	-	32.72		32.72	12.79	2.73		15.52	17.20	18.25
Assets under lease												
	3,098.53	99.95	36.18	3,162.30		3,162.30	348.24	172.78	5.82	17.09	509.75	2,750.29

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 31 Mar 2019	As at 31 March 2018
Investment in Equity instruments- Unquoted-at cost		
In Jumbo Bag LLC	2.28	2.27
Engineered power resources india pvt Ltd., 1207 Shares @Rs.10 per share	0.12	0.21
Investment on Tulsyan NEC Limited, 11250 shares @Rs.30 per share	-	3.38
Investment on Scent trans pvt Ltd. 1708 shares @Rs.10 per share	0.17	-
	<b>2.57</b>	<b>5.86</b>

**2.3 Loans**

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
<b>Other loans and advances</b>		
unsecured, considered good		
Security Deposit	39.30	39.30
Electricity & other deposits	63.22	62.21
Rental deposits	38.16	36.95
Telephone deposits	0.19	0.19
	<b>140.87</b>	<b>138.65</b>

**2.4 Other non current assets**

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
<b>Long term trade receivables (including trade receivables on deferred credit terms)</b>		
Unsecured, considered good	-	14.07
Unsecured, not considered good	-	-
Provision for doubtful debts	-	14.07
Insurance Claim Receivables on ( Stocks)	391.00	742.18
	<b>391.00</b>	<b>770.32</b>



**2.5 Inventories**

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
Raw Materials and components (Valued at lower of cost or Net Realisable value)	260.45	181.70
Goods-in transit	12.07	67.87
Net	<b>272.52</b>	<b>249.57</b>
Work-in-progress (Valued at lower of cost or Net Realisable value)	1,720.33	1883.72
Net	<b>1,720.33</b>	<b>1883.72</b>
Finished goods (Valued at lower of cost or Net Realisable value)	401.34	285.71
Net	<b>401.34</b>	<b>285.71</b>
Scrap (Valued at lower of cost or Net Realisable value)	1.18	0.56
	<b>1.18</b>	<b>0.56</b>
Stores and spares (Valued at lower of cost or Net Realisable value)	87.88	105.96
	<b>87.88</b>	<b>105.96</b>
	<b>2,483.25</b>	<b>2,525.52</b>

**2.6 Trade receivables**

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
Debts outstanding for period exceeding six months		
Unsecured, considered good	22.52	59.39
	<b>22.52</b>	<b>59.39</b>
Unsecured, considered good	3,056.57	2,740.11
	<b>3,056.57</b>	<b>2,740.11</b>
	<b>3,079.09</b>	<b>2,799.50</b>

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

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
Stanpacks (India) Ltd.,	45.36	88.37
JBL Saks (P) Ltd.,	0.73	-
Jumbo Bag LLC	255.61	86.74
GF Impex Pvt Ltd.,	69.41	31.82
Balaji Trading Enterprises Pvt Ltd.,	157.27	509.32
Dinesh Polyfab Pvt Ltd.,	-	-
Master material suppliers FZE	-	36.23
	<b>528.38</b>	<b>752.48</b>

**2.7 Cash and cash equivalents**

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
Cash Balance	1.58	1.45
Balance with banks	13.80	6.54
<b>Other Bank balances</b>		
Earmarked Balances (eg/- unpaid dividend accounts)	-	-
Margin money	146.68	227.41
Bank deposits with more than 12 months maturity	-	-
	<b>162.07</b>	<b>235.40</b>

**2.8 loans**

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
<b>Others</b>		
Unsecured, considered good		
Rental deposits	33.04	33.04
Cenvat receivable	11.52	11.94
GST receivable	234.57	139.90
TCS receivable	(0.12)	0.54
Interest receivable on bank deposits	7.52	-
GST refund receivable	198.96	267.07
Interest/EPI receivable on customers	29.01	27.00
Prepaid expenses	55.19	39.41
ECGC premium	0.29	1.66
Rebate Claim & Duty Drawback receivable	3.56	17.00
Merchant export incentive scheme	81.60	96.42
Staff advance / others	21.90	20.31
Provision for taxation( Net)	87.47	76.15
	<b>764.51</b>	<b>730.44</b>

**2.9 Other current assets**

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
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 31 Mar 2019	As at 31 March 2018
Karagpur Land	64.08	64.08
	<b>64.08</b>	<b>64.08</b>



2.11 Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31 Mar 2019	As at 31 March 2018
<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
Preference shares		
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 31 Mar 2019	As at 31 March 2018
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 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 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of 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 31 March 2019	As at 31 March 2018
<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 31 March 2019	As at 31 March 2018
<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	31.63	25.82
Add: Amount Transferred	5.80	5.81
Less: Amount utilised		
Closing Balance	<b>37.43</b>	<b>31.63</b>
<b>Revaluation Reserve</b>		
Opening Balance	1,282.49	1,288.30
Add: Additions on revaluation during the year	-	-
Less: Amount utilised	5.80	5.81
Closing Balance	<b>1,276.69</b>	<b>1,282.49</b>
<b>Other comprehensive Income / Loss</b>		
Opening Balance	(34.21)	(2.75)
Add: Additions during the year	(12.26)	(31.46)
Closing Balance	<b>(46.47)</b>	<b>(34.21)</b>
<b>Other Reserves Total</b>	<b>1,845.18</b>	<b>1,857.44</b>



Particulars	As at 31 March 2019	As at 31 March 2018
<b>Surplus / (deficit) balance in the statement of profit and loss account</b>		
Opening Balance	107.07	(2.21)
Add: Profit/ (Loss) for the year	103.55	109.28
Add: Amount utilised Income tax for 2016-17 & 2017-18 adjusted for 2018-19	(0.60)	
Closing Balance	210.02	107.07
	<b>2,055.20</b>	<b>1,964.51</b>

**2.13 Borrowings**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Secured- Considered good</b>		
<b>Term loans</b>		
from banks		
<b>State Bank Of India</b>	-	46.26
(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>	46.47	9.17
( 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>46.47</b>	<b>55.43</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	85.83
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>85.83</b>
	<b>199.25</b>	<b>141.26</b>

**2.14: Provisions**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Others (Specify nature)</b>		
Provision for pending sales tax forms and other sales tax disputes	1.01	13.55
Provisions for Contingencies	-	-
Others provision (Reserve for bad debts)	-	14.07
	<b>1.01</b>	<b>27.62</b>

**2.15 Deferred tax liabilities (Net)**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
As per last Balance Sheet	243.87	242.92
Add : Deferred tax liability / (Deferred tax Asset) for the year ( Net)	(38.78)	0.95
Closing Balance	<b>205.09</b>	<b>243.87</b>

**2.16 Other non current liabilities**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables		
- due to micro and small enterprises		
- others creditors	4.00	9.86
Others		
Loan from directors	85.50	85.50
Payables for purchase of fixed assets	-	-
Security Deposit	51.42	47.36
	<b>140.92</b>	<b>142.72</b>

**2.17 Borrowings**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Secured - Considered Good</b>		
Loans repayable on demand		
<b>from banks</b>		
- State Bank of India	<b>3,598.72</b>	<b>3,642.15</b>
( Includes Rs. Nil as buyers credit on short term repayable with in one year).		
(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)		
In case of default as on the balance sheet date in repayment of loans and interest		
1. Period of default	NIL	
2. Amount	NIL	
- South Indian Bank	<b>1,199.59</b>	<b>874.66</b>
( Includes Rs Nil as buyers credit on short term repayable with in one year).		
(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 31 March 2019	As at 31 March 2018
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>		
Term loan ( State Bank of India)	40.32	54.00
(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>4,838.63</b>	<b>4,570.81</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>4,838.63</b>	<b>4,570.81</b>

**2.18 Trade payables**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables		
- due to micro and small enterprises	9.17	-
- others creditors	1,403.14	1,813.09
	<b>1,412.31</b>	<b>1,813.09</b>

**2.19 Provisions**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Provision for employee benefits</b>		
Salary & Reimbursements	65.10	65.81
Contribution to PF / ESIC	16.59	22.28
Gratuity	26.94	51.78
Superannuation	1.30	-
Leave travel & Medical expenses-Directors	4.06	6.04
Professional tax payable	3.00	1.07
Employee related	1.05	0.88

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Others (Specify nature)</b>		
Provision for Electricity Charges	30.81	25.06
provision for Freight & Clearing	3.35	2.80
Provision for Job work charges	-	-
provision for Expenses	42.19	224.59
	<b>194.39</b>	<b>400.31</b>

**2.20 Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt		
Current maturities of finance lease obligations (Secured by motor Vehicle / Plant and machinery under Hypothecation) <b>Repayment tenure of 60 months ended March 2022</b>	25.37	4.99
Interest accrued but not due on borrowings	-	-
Other payables		
Sales Tax / GST Payable	1.86	0.86
TDS payable	8.26	4.13
Sundry creditors for purchase of Fixed Assets	10.70	38.02
	<b>46.19</b>	<b>48.00</b>

**2.21: Revenue from Operations**

**Sale of Products**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Sales - Exports	4,694.01	4,311.46
Sales - Domestic	6,557.10	5,437.45
Sub Total	<b>11,251.11</b>	<b>9,748.91</b>
Add: Excise Duty	-	122.46
Gross Turnover	<b>11,251.11</b>	<b>9,871.37</b>

**Sale of Services**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Income from Job work charges	85.65	140.61
Commission on sales	105.39	94.88
Early payment incentive	55.33	73.64
	<b>246.37</b>	<b>309.13</b>



**Other operating revenues**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Sale of scrap ( net)	98.88	155.33
Focus product Scheme	185.75	119.14
Interest Income (IOCL operations)	27.33	62.38
Exchange gain / (Loss) (net)	(62.48)	179.14
	<b>249.48</b>	<b>515.99</b>
Total (2.21)	<b>11,746.96</b>	<b>10,696.49</b>

**2.22: Other income**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Interest Income ( bank FD+others)	17.25	33.10
Profit on sale of fixed assets	-	-
Write back - Provision for Baddebts	14.07	-
Miscellaneous Income / Other Income	2.88	11.52
	<b>34.20</b>	<b>44.62</b>

**2.23: Cost of material consumed**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Raw materials and packing materials consumed		
Opening stock	181.70	235.81
Add: Purchases	6,917.78	6,283.62
Less: Closing stock	260.45	181.70
	<b>6,839.03</b>	<b>6,337.73</b>

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

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
<b>Opening stock</b>		
Finished goods	285.71	211.95
Work-in-progress	1,883.72	1,961.43
Goods in transit	67.87	80.62
Scrap	0.56	1.35
<b>Less: Closing 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>102.94</b>	<b>17.49</b>

**2.25: Employee benefits expense**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Salaries, wages	702.15	642.01
Bonus and Exgratia	47.55	33.98
Contribution to provident fund / ESIC	64.56	58.09
Contribution to Gratuity fund.	27.06	12.37
Workmen and staff welfare expenses	239.41	197.96
Directors remuneration	29.38	26.40
	<b>1,110.11</b>	<b>970.81</b>

**2.26: Finance Cost**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Medium Term Loan	11.00	14.15
Cash Credit	191.35	150.95
Packing Credit	49.46	80.46
Bills Discounting (FUBD)	85.61	75.22
Interest paid on Hire Purchase	3.00	1.47
Others ( Other + interest on unsecured loan)	58.71	56.97
	<b>399.13</b>	<b>379.22</b>

**2.27: Other Expenses**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Consumption of stores, loose tools and spare parts	184.25	123.00
Power and fuel	429.68	355.61
Rent	140.98	106.29
<b>Repairs and maintenance:</b>		
- buildings	7.88	0.21
- plant and machinery	21.62	10.15
- others	26.04	20.74
Rates and taxes, excluding, taxes on income	15.80	33.26
Watch & Ward	24.61	24.36
Insurance	25.20	30.70
Job work charges paid	1,565.21	1,413.66
Traveling and conveyance (Domestic)	23.38	37.04
Traveling and conveyance (Foreign)	2.00	1.31
Communication	31.58	25.62
Legal and professional fees	29.64	48.96
Statutory Auditor's remuneration	3.11	4.75
Internal Audit fees/others	2.00	2.00
Freight and clearing outward	135.76	178.21
ECGC premium paid	19.86	17.45
Sales promotion	2.06	1.89
Certification fees	-	0.09



Particulars	31st Mar 2019	31st Mar 2018
Sales commission	3.97	7.43
Bank charges	80.69	105.95
Testing charges	2.57	1.76
Loss on sale of FPS licence	26.53	4.14
Loss on sale of fixed Assets	1.62	-
Bad debts written off	36.74	5.71
Training and seminar expenses	1.88	1.24
Provision for bad debts	-	14.07
Books and periodicals	0.38	0.33
Advertisements	0.33	1.22
Management meeting expenses	0.18	0.23
Printing and stationery	11.79	11.08
Office Electricity	2.54	2.69
Membership and subscriptions	2.13	2.42
Research & Development expenses	2.59	-
Sitting Fees	4.71	4.09
Office Maintenance	11.67	12.28
Excise duty on finished goods at stock valued (16-17)	-	(23.55)
Listing & Filing fees	2.58	2.97
Donations	0.30	0.20
Miscellaneous expenses	0.03	0.01
Excise duty on sales ( 17-18)	-	122.46
Assets condemned	16.89	-
	<b>2,900.78</b>	<b>2,712.03</b>

**2.28: Exceptional items**

(Rs. in Lakhs)

Particulars	31st Mar 2019	31st Mar 2018
Write back - Provision for Contingencies	200.00	-
Insurance Claim written off ( Stock)	(351.18)	
Total Exceptional items	<b>(151.18)</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, amount payable to such enterprises as at 31st March 2019 is Rs.9.17 lakhs. 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 cases 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.

**STOCK CLAIM**

With respect to repudiation of stock claim case filed by us was taken on record by the High Court in January 2018 and the counter has been filed by insurance company in December 2018. It is five years since the fire accident and it appears that being a civil matter, it could take potentially 4 to 5 years despite our best effort. While there is confidence on our part that the amount would be settled when court examines the matter, the passage of time and the need for taking a conservative view of the matter becomes of utmost importance from the point of view of all stakeholders.



Considering the above it has been decided to write-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 this 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 claim on machineries, there has been already part payment made and in furtherance to case filed in the High Court arbitrator has been appointed in November 2018. In furtherance to this the insurance company has filed a special leave petition before the supreme court challenging the appointment of the arbitrator which however is likely to be dismissed when it comes up for hearing before them. Since arbitration proceeding has been initiated in this particular case, we do believe that this matter will come to a logical conclusion in the FY 2019-20. 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 arbitration.

**5. Earnings per share**

<b>EARNINGS PER SHARE</b>	<b>2018-2019</b>	<b>2017-2018</b>
Profit available for equity share holder (Rs. in lakhs)	90.69	77.82
Number of Equity shares (Basic and diluted)	83,73,700	83,73,700
Earnings per Share (in Rs.)	1.23	1.31
Cash Earnings per Share (in Rs.)	3.22	3.10

**6. Unhedged foreign Currency Exposure**

<b>Particulars</b>	<b>currency</b>	<b>Foreign Currency</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
Unhedged Foreign currency (Export/ Import)	US \$	US\$	US\$ 3,74,622 INR 259.13 lacs	US\$1,35,873 INR 88.38 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:**

<b>Sl. No</b>	<b>Description</b>	<b>Demand (including penalty) Rs. in lakhs</b>	<b>Amount not provided</b>	<b>Present status</b>
1.1	Whether Value of Deemed Export shall be considered for Arriving At DTA Sale Eligibility(Difference Of Duty For Disallowed Deemed Export Portion	12.69	12.69	Appeal pending with Supreme Court
1.2	Advance release order (ARO)-non-payment of CVD.	26.55	26.55	Case remanded in Tribunal
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>45.56</b>	<b>45.56</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	Pursued with I.T authorities.
	<b>TOTAL</b>		<b>114.46</b>	

**8. Defined Contribution Plans:-**

- (a) Contribution to Provident Fund /ESI : 64.56 lacs
- (b) Contribution to Superannuation Fund : 4.87 lacs

**Defined Benefit Plans:-**

**Gratuity:**

The Gratuity liability is covered by a Master Policy taken out with LIC of India under the Cash Accumulation scheme. The company during the year has done actuarial valuation as on 31.03.2019 and the estimated liability amounted to Rs.39.32 lacs. As per IND AS Rs.12.26 lacs was transferred to Other comprehensive loss and the balance amount of Rs.27.06 lacs was debited to statement of Profit and Loss

**Retirement Benefits:**

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

SI No.	Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
(i)	Present value of obligation at the beginning of the year	145.25	107.10
	Interest Cost	11.62	8.57
	Current Service Cost	11.56	8.36
	Benefits paid	(8.53)	(8.04)
	Actuarial (gain) / loss on obligation	12.26	31.46
	Present Value of obligation at the end of the year	172.15	147.44
(ii)	Fair value of plan assets at the beginning of the year	93.67	41.39
	Expected return on plan assets	8.38	4.56
	Contribution	48.08	55.76
	Benefits paid	(8.53)	(8.04)
	Actuarial gain / (loss) on plan assets	Nil	NIL
	Fair value of plan assets at the end of the year	141.59	93.67

(iii)	Amounts recognized in the balance sheet		
	Present Value of obligation as at the end of the year	172.15	147.44
	Fair Value of plan at the end of the year	141.59	93.67
	Funded status of the plan – (asset) / liability	(30.57)	(53.77)
	Net Assets / (liability) recognized in Balance Sheet	(30.57)	(53.77)
(iv)	Amounts recognized in the statement of Profit and Loss		
	Current Service Cost	11.56	8.36
	Interest Cost	11.62	8.57
	Expected return on plan assets	(8.38)	(4.56)
	Expenses recognized in the statement of profit and loss	27.06	12.37
	Other Comprehensive Income		
	Net Actuarial (gain)/loss recognized in the year	12.26	31.46
	Principal actuarial assumptions		
	Discount Rate	7.50%	8%
	Salary Escalation	5%	5%
	Expected Return on plan assets	7.50%	8%
	Expected rate of attrition	1.08%	1.08%
	Mortality	IALM (2006-2008)	IALM (2006-2008)

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Notes:**

- Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors.
- The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The Company's gratuity funds are managed by the Life Insurance Corporation of India and therefore the composition of the fund assets is not presently ascertained.

**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
- The company has no Secondary Reportable Segment.
- Regrouping done wherever necessary.



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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	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	11589.67	10505.17
(b) Segment B - Trading Business	191.49	235.94
(c) Unallocated		
Total	11781.16	10741.11
Less: Inter Segment Revenue		
<b>Net Sales / Income from Operations</b>	<b>11781.16</b>	<b>10741.11</b>
<b>(ii) Segment Results - Profit (+) / Loss (-) before tax and interest from each segment</b>		
(a) Segment A - Manufacturing Business	513.09	346.63
(b) Segment B - Trading business	136.64	177.24
(c) Unallocated		
Total	649.73	523.87
Less: (i) Interest	399.13	379.22
(ii) Other Un-allocable Expenditures Net off	-	-
(iii) Unallocable Income	-	-
<b>Total Profit before tax</b>	<b>250.60</b>	<b>144.65</b>
<b>(iii) Capital Employed</b>		
<b>Segment (A) Polymer</b>		
Assets	1292.92	1433.64
Liabilities	1363.60	1440.96
<b>Segment (B) Manufacturing</b>		
Assets	8678.24	8796.72
Liabilities	8607.56	5702.85

10. RELATED PARTIES with whom transactions have taken place during the year 2018-19

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)	
				2018-19	2017-18	31.3.2019	31.3.2018
(i)	Stanpacks (India) Limited	Associate Company	Job Work Charges Paid	163.32	77.29		
			Purchase of goods	43.44	300.31	(45.36)	(88.37)
			Sale of Goods	467.71	635.15		
(ii)	JBL Saks (P) Ltd	Associate Company	Sale of Goods	1.07	48.01	(0.73)	-
(iii)	Jumbo Bag LLC	Associate Company	Sale	1297.46	1204.68	(255.61)	(86.74)
(iv)	G. Sudhakar	Key Management Personnel	Rent	2.21	1.77	0.19	
(v)	G P N Gupta	Key Management Personnel	Remuneration	12.00	12.00		
(vi)	G S Anil kumar	Key Management Personnel	Salary	16.32	12.00		
(vii)	G. Sangeetha	Relative of Key Management Personnel	Rent	4.70	4.31		
(viii)	G.R. Latha Rani	Relative of Key Management Personnel	Rent	8.10	8.44		
(ix)	Balaji Trading Enterprises Pvt Ltd	Associate Company	Loan Received/ Interest paid	12.78	14.98	152.78	85.83
			Purchase		91.38		
			Interest received	64.55	88.13	(157.27)	(509.32)
(x)	G.F.IMPEX	Associate Company	Interest received	6.38	0.35	(69.41)	(31.82)
			Purchase	13.51			
(xi)	Master Material	Associate Company	Sales	346.49	268.64		(36.23)
			<b>Total</b>	<b>2460.03</b>	<b>2767.45</b>		

11. Operating Lease arrangements

Future Non-Cancellable minimum lease commitments

Rs.in lacs

Particulars	31-Mar-19	31-Mar-18
Not later than one year	120.56	116.01
Later than one year and not later than five years	316.53	421.91
Later than five years	130.07	130.07

Expenses recognised in the Statement of Profit and Loss

Rs.in lacs

Particulars	31-Mar-19	31-Mar-18
Minimum Lease Payments	140.98	106.29
Sub-lease payments		
Contingent rents (state basis)		



**12. 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 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>-</b>	<b>-</b>	<b>-</b>
<b>Net Tax Asset / (Liabilities)</b>	<b>(243.88)</b>	<b>38.78</b>	<b>-</b>	<b>(205.10)</b>

Rs. in lakhs

Particulars	For the Year ended 31 March 2018			
	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	(268.08)	8.20	-	(259.88)
<b>Tax effect of items constituting deferred tax assets</b>				
Employee Benefits	25.15	(9.15)	-	16.00
Other Items	-	-	-	-
Brought forward business loss and unabsorbed depreciation	-	-	-	-
<b>Total</b>	<b>25.15</b>	<b>(9.15)</b>	<b>-</b>	<b>16.00</b>
<b>Net Tax Asset / (Liabilities)</b>	<b>(242.93)</b>	<b>0.95</b>	<b>-</b>	<b>(243.88)</b>

**13. 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 31 March 2019	As at 31 March 2018
Debt	5,037.88	4,797.57
Cash and Bank Balance	(162.07)	(235.40)
<b>Total Debt</b>	<b>4,875.81</b>	<b>4,562.17</b>
Total Equity	2,933.37	2,842.68
<b>Net Debt to equity ratio</b>	<b>1.66</b>	<b>1.60</b>

## Categories of Financial Instruments

## (a) Financial Assets

Rs. in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Measured at fair value through profit or loss (FVTPL)</b>		
- Investments	2.57	5.86
<b>Measured by FVOCI</b>	-	-
<b>Measured at amortised cost</b>		
- Investments	-	-
- Trade receivables	3,079.09	2,799.50
- Cash and Bank balance	162.07	235.40
- Loans	905.38	869.09
- Other financial assets	-	-

## (b) Financial Liabilities :

Rs. in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Measured at fair value through OCI (FVTOCI)</b>		
<b>Measured at amortised cost</b>		
- Borrowings	5,037.88	4,797.57
- Trade payables	1,412.31	1,813.09
- 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 forward contracts 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'19			As on Mar'18		
	Exposure Hedged	Exposure Unhedged	Total	Exposure Hedged	Exposure Unhedged	Total
<b>Trade payable</b>						
USD	140,550		140,550	165,000		165,000
EURO	81,034		81,034	38,880		38,880
<b>Borrowings</b>						
USD	297,558		297,558	710,587		710,587
<b>Trade Receivable</b>						
USD	718,611	922,661	1,641,272	549,865	755,788	1,305,653



**Foreign currency sensitivity analysis**

The Company is mainly exposed to US Dollars 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, 2019	Sensitivity +1%	Sensitivity -1%	As at March 31, 2018	Sensitivity +1%	Sensitivity -1%
USD	922,661	9,227	(9,227)	755,788	7,558	(7,558)
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 2019, 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.

**vi) 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, 2019			As at March 31, 2018		
	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	2.57	-	-	5.86	-	-
Trade receivables	3,079.09	391.00	-	2,799.50	770.32	-
Cash and cash equivalents	162.07	-	-	235.40	-	-
Bank balance other cash and cash equivalents stated above	-	-	-	-	-	-
Loans	764.51	140.87	-	730.44	138.65	-
Other financial assets	-	-	-	-	-	-

**ii. Non Derivative financial liabilities**

Rs. in lakhs

Particulars	As at March 31, 2019			As at March 31, 2018		
	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	40.32	199.25	-	54.00	141.26	-
Short term loan	4,798.31	-	-	4,516.81	-	-

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

Rs. in lakhs

Particulars	As at March 31, 2019			As at March 31, 2018		
	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	36.77	-	-	9.74	-	-
<b>Total</b>	36.77	-	-	9.74	-	-

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, 2019	As at March 31, 2018	Fair value hierarchy (Level 1, 2 or 3) *
<b>Derivative financial assets (a)</b>			
- Foreign currency forward contracts	36.77	9.74	2
<b>Derivative financial liabilities (b)</b>			
- Foreign currency forward contracts	-	-	-
- Interest rate swaps	-	-	-
<b>Total</b>	-	-	-
Net derivative financial assets / (liabilities) (a - b)	<b>36.77</b>	9.74	-



**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, 2019</b>					
USD/INR	US Dollar	2,055,648	71.95	147,903,874	Buy
<b>As at March 31, 2018</b>					
USD/INR	US Dollar	3,683,260	66.62	245,378,781	Buy

**14. Contingent Liabilities**

Contingent Liabilities not provided for	As at 31st March, 2019 (Rs. in Lakhs)	As at 31st March, 2018 (Rs. in lakhs)
a. In respect of guarantees given by the Company	600.00	608.75
b. Letter of credit for purchase of raw-materials	798.81	776.97
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	45.56	45.56
f. Disputed amount on Income Tax	114.46	114.46
g. Disputed TDS	7.54	10.45

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.

**15. Expenditure in Foreign Exchange**

Expenditures in Foreign Currency	2018-19 (Rs. in Lakhs)	2017-18 (Rs. in lakhs)
i) CIF value of Imports	589.58	602.50
ii) Travel	-	0.47
iii) Commission for export sales	3.67	5.65
iv) Others (Testing Charges)	1.55	-

**16. Foreign Exchange Earnings**

Earnings in Foreign Currency	2018-19 (Rs. in Lakhs)	2017-18 (Rs. in lakhs)
i) FOB Value of Exports	4742.72	4339.76

17. 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.

**18. Capacity and Production during the year 2018 – 2019:**

Capacity & Production	2018-19 (Rs. in Lakhs)	2017-18 (Rs. in lakhs)
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)	6543.21	6211.83

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

Description	2018-19		2017-18	
	Quantity in MT	(Rs. in lakhs)	Quantity in MT	(Rs. in lakhs)
a. Poly Propylene Granules	4751.67	4246.52	4656.63	3558.51
b. Others	2519.84	2656.97	2252.72	2675.58
<b>Total</b>	<b>7271.51</b>	<b>6903.49</b>	<b>6909.35</b>	<b>6234.09</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	20.75%	1413.76	19.61%	1243.01
Indigenous	79.25%	5398.91	80.39%	5096.20
<b>Total</b>	<b>100.00%</b>	<b>6812.67</b>	<b>100.00%</b>	<b>6339.21</b>
<b>b. Stores and Spares</b>				
Import	10.30%	21.87	12.72%	17.18
Indigenous	89.70%	190.53	87.28%	117.86
<b>Total</b>	<b>100.00%</b>	<b>212.40</b>	<b>100.00%</b>	<b>135.04</b>



Description	2018-19		2017-18	
	Quantity in MTS	Value (Rs. in lakhs)	Qty in MTS	Value (Rs. in lakhs)
P. P. Bags , Fabric , Components of Jumbo Bags & Small Bags	6049.86	10772.86	5362.50	8972.86
	<b>Closing Stock as on 31.03.2019</b>		<b>Closing Stock as on 31.03.2018</b>	
	Qty in MTS	(Rs. in lakhs)	Qty in MTS	(Rs. in lakhs)
Finished Goods (Inclusive of Excise Duty)	205.79	401.34	157.70	285.71

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

For and on behalf of the Board

**J. VEDANTHA RAMANUJAM**  
Partner  
Membership No. 022188  
Place: Chennai  
Date: 22.04.2019

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

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

**R.PRAMOD KUMAR**  
Company Secretary

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### Jumbo Bag Ltd

CIN: L36991TN1990PLC019944

Regd Office: "S.K.Enclave" New No. 4 (Old No. 47),  
Nowroji Road, Chetpet, Chennai - 600031

### ATTENDANCE SLIP

Name of the Member .....

Name of Proxy if attending on behalf of the member .....

I certify that I am a Registered Shareholder / proxy for the Registered Shareholder of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company held at Narada Gana Sabha Trust Mini Hall, No.314, T.T.K. Road, Chennai - 600018 at 10.00 A.M. on Wednesday, the 31st July, 2019.

Ledger Folio No.	
DP Id No. *	
Client Id No. *	
No. of shares held	
Mr. / Mrs. / Miss	

\* Applicable for members holding shares in dematerialized form

.....

.....

Member's/ Proxy's name  
(IN BLOCK LETTERS)

Member's / Proxy's Signature

**Note:** Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

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# Jumbo Bag Ltd

CIN: L36991TN1990PLC019944

Regd Office: "S.K.Enclave" New No. 4 (Old No. 47),

Nowroji Road, Chetpet, Chennai - 600031

## PROXY FORM

(Form No: MGT-11)

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

<b>Name of the Member(s)</b>	
<b>Registered Address:</b>	
<b>E-mail ID:</b>	
<b>Folio/DP ID - Client ID:</b>	

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

(1) **Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**E-mail ID:** \_\_\_\_\_

**Signature:** \_\_\_\_\_, or failing him/her;

(2) **Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**E-mail ID:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ or failing him/her;

(3) **Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**E-mail ID:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Wednesday, the 31st July 2019 at 10:00 a.m. at Narada Gana Sabha Trust Mini Hall, No.314, T.T.K. Road, Chennai - 600018 and at any adjournment thereof, in respect of such resolutions as are indicated below:



Resolution No.	Resolution	Optional*		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1	Adoption of Annual Accounts for the year ended 31st March 2019			
2	Appointment of Director in the place of Sri. GPN Gupta (DIN:00086174) who retires by rotation and being eligible, offers himself for re-appointment.			
<b>Special Business:</b>				
3	Appointment of Sri. Rajendra Kumar P (DIN: 00835879) as Independent Director.			

**Note:**

- \*It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' or Abstain column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2019

Signature of shareholder

Signature of Proxy holder

Affix Rs.1/-  
Revenue  
Stamp

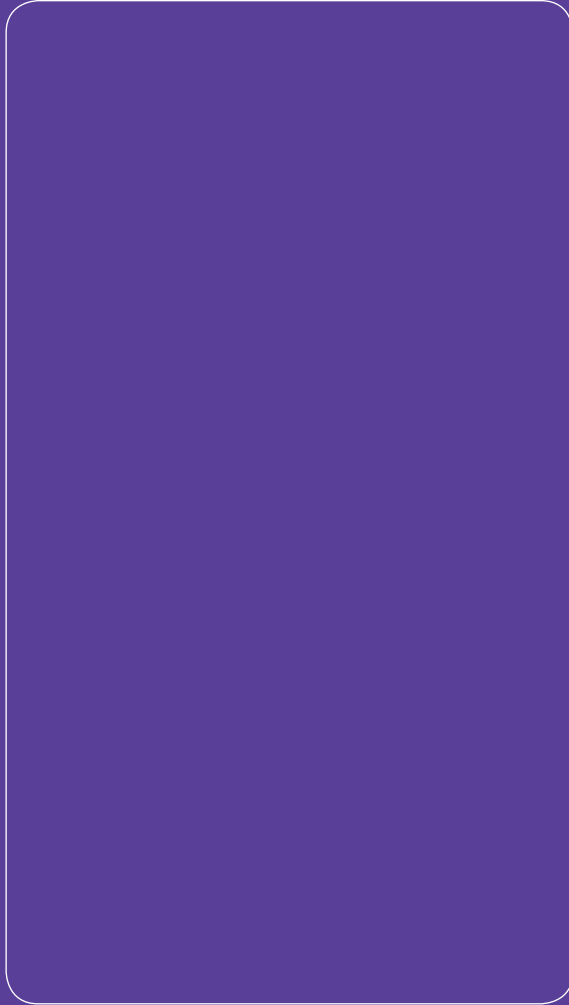
**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company-, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 29th Annual General Meeting.
- Please complete all details including details of member(s) in above box before submission.

Affix Rs.1/- Revenue Stamp

To

Registered Book Post/Courier



*If undelivered, please return to:*



**JUMBO BAG LTD.**

**ISO 9001 & 14001**

"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)