



**STANPACKS  
(INDIA) LTD.**



WE SHARE OUR JOY

AN ISO 9001 : 2015 COMPANY

CIN : L36991TN1991PLC021888

SSE/AGM-3/2021-22/

20.07.2021

To  
Bombay Stock Exchange Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

Dear Sirs,

Ref: SCRIP CODE NO.530931

**Sub: Submission of Notice of 30<sup>th</sup> Annual General Meeting (AGM) and Annual Report for the FY2020-21 of the Company under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of 30<sup>th</sup> AGM and Annual Report of the Company for the FY 2020-21.

Thanking you,

**Yours faithfully,  
for STANPACKS (INDIA) LTD.**

**Anup Hegde P  
Company Secretary and Compliance Officer**



Encl.: As above

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

Regd. Off : No. 4, Nowroji Road, Chetpet, Chennai - 600 031.  
Phone : 91-44-2645 2325, 2645 1722, 2646 1415 Fax : 91-44-2645 1720  
E-mail : sl@blissgroup.com Website : <http://www.blissgroup.com> [www.stanpacks.in](http://www.stanpacks.in)



**STANPACKS (INDIA) LTD**

**30<sup>th</sup>** | **ANNUAL**  
**REPORT**  
**2020-21**



**WE SHARE OUR JOY**

# ANNUAL REPORT

## 20 20 - 21

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## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b> (as on 31 <sup>st</sup> May 2021)	SRI G.P.N. GUPTA	Chairman
	SRI G.V GOPINATH	Managing Director
	SRI G.S. SRIDHAR	Joint Managing Director & Chief Financial Officer
	SRI G.S. RAJASEKAR	Non-Executive Director
	SRI S. RAMAKRISHNAN	Non-Executive Independent Director
	SMT SHOBHA GUPTA	Non-Executive Independent Director
	SRI R. SUKUMAR	Non-Executive Independent Director
<b>REGISTERED OFFICE</b>	"S.K. ENCLAVE" New No.4, (Old No.47), Nowroji Road, Chetpet, Chennai 31, Phone: 044-26451722, 044-26461415, 044-26452325 Fax: 91-44-26451720, E-Mail: info@blissgroup.com Website: http://www.stanpacks.in CIN – L36991TN1991PLC021888	
<b>WORKS</b>	Sholipalayam Village, Sholavaram, Ponneri Taluk, Chennai 600 067, Tamil Nadu	
<b>REGISTRARS &amp; SHARE TRANSFER AGENT</b>	Cameo Corporate Services Ltd. Subramaniam Building, No.1, Club House Road, Mount Road, Chennai- 2 Phone: 044-28460390 Fax: 044-28460129	
<b>LISTING</b>	Bombay Stock Exchange Ltd.	
<b>BANKERS</b>	Karnataka Bank Limited	
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	Mr. Anup Hegde P	
<b>STATUTORY AUDITORS</b>	M/s. J.V. Ramanujam & Co, Chartered Accountants F-1, Lakshmi, Old No.28, New No.56, Third Main Road, Raja Annamalaipuram, Chennai 600028	
<b>SECRETERIAL AUDITORS</b>	M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries, Chennai	
<b>ANNUAL GENERAL MEETING</b>	Date & Time	11 <sup>th</sup> August 2021, Wednesday @ 10.30 a.m. Through Video Conference (VC) or Other Audio Visual Means (OAVM)
	Deemed Venue	"S.K. ENCLAVE" New No.4, (Old No.47) Nowroji Road, Chetpet, Chennai – 600 031

### IMPORTANT COMMUNICATION

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. Members who hold shares in physical form are requested to register their mail address with the Registrar and Share Transfer Agent viz. Cameo corporate Services Ltd, Chennai.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of the Stanpacks (India) Limited is scheduled to be held at 10.30 A.M on Wednesday, the 11th August 2021 through Video Conference (VC) or Other Audio Visual Means (OAVM) with the Registered Office of the Company, "S.K. ENCLAVE", New No.4, (Old No.47), Nowroji Road, Chetpet, Chennai – 600 031 as deemed venue to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 01: Adoption of Annual Accounts:

To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2021 and the Statement of Profit and Loss for the Financial Year ended on that date and the report of the Board of Directors' and Auditor's thereon.

#### Item No. 02: Reappointment of Director:

To appoint a director in place of Sri G.S. Rajasekar (DIN: 00086002) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### Item No. 03:

To re-appoint Sri G.V. Gopinath (DIN: 02352806) as Managing Director and in this regard, consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and rules made thereunder read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force of any amendments and / or modifications that may hereinafter be made thereto by the Central Government in that behalf from time to time, of any amendments thereto), consent of the members be and is hereby accorded for the re-appointment of Sri. G.V. Gopinath, as a Managing Director of the Company for a period of three years with effect from 1st April 2022 to 31st March 2025, on such terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and vary the terms and conditions, in accordance with the law in force from time to time and to take such steps and to perform all such actions, matters and things as may be considered necessary to give effect to this resolution."

#### Item No. 04:

To re-appoint Sri G.S. Sridhar (DIN: 01966264) as Joint Managing Director and in this regard, consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and rules made thereunder read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force of any amendments and / or modifications that may hereinafter be made thereto by the Central Government in that behalf from time to time, of any amendments thereto), consent of the members be and is hereby accorded for the re-appointment of Sri G.S. Sridhar, as a Joint Managing Director of the Company, in addition to his position of Chief Financial Officer, for a period of three years with effect from 1st April 2022 to 31st March 2025, on such terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and vary the terms and conditions, in accordance with the law in force from time to time and to take such steps and to perform all such actions, matters and things as may be considered necessary to give effect to this resolution."

**By Order of the Board  
For Stanpacks (India) Limited**

**Place: Chennai  
Date: 28th May 2021**

**Anup Hegde P  
Company Secretary**

**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.stanpacks.in](http://www.stanpacks.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on 08<sup>th</sup> August 2021, Sunday at 09.00a.m. and ends on 10<sup>th</sup> August 2021, Tuesday at 05.00p.m. 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 04<sup>th</sup> August 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant “STANPACKS (INDIA) LIMITED” on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [customerservices@lisa-india.com](mailto:customerservices@lisa-india.com) or [cs-sl@bliss-group.com](mailto:cs-sl@bliss-group.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops /iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs-sl@blissgroup.com](mailto:cs-sl@blissgroup.com)/[murali@cameoindia.com](mailto:murali@cameoindia.com).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Note:** The route map, proxy form and attendance slip have not been included in this Notice as well as Annual Report since the AGM is being conducted through VC/OAVM.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 3:**

Sri G.V. Gopinath is a Post Graduate in Commerce with Advanced Diploma in Computer Applications taking care of Finance and Marketing of the Company. He has 28 years of successful career behind him. His array of exposure has extended to areas like Finance, Costing and Cost Control, Project planning and execution, Management Quality System, etc. He is taking care of both Finance and Marketing and plays an important role in the Company. Sri G.V. Gopinath was born on 24.07.1972 and aged about 49 years. He is holding 4,967 (0.08%) Equity Shares in the Company as on 31<sup>st</sup> March 2021.

He is holding Directorship in Magic Land Ventures Private Limited. Sri G.V. Gopinath has been associated with Stanpacks (India) Limited from the year 2008. Sri G.V. Gopinath, was appointed as Managing Director for a period of three years from 1<sup>st</sup> April 2019. His term of three years expires on 31<sup>st</sup> March 2022. Considering his rich experience and achievements for the benefit of the Company, the Nomination and Remuneration Committee recommended to the Board for re-appointment of Sri G V Gopinath as Managing Director of the Company with the remuneration and terms and conditions as detailed below with effect from 1<sup>st</sup> April 2022 for a period of three years. The Board of Directors in their Meeting held on 28<sup>th</sup> May 2021 has approved the re-appointment of Sri G.V. Gopinath as Managing Director and recommend the said resolution for the approval of the Shareholders.

**SALARY:** - Rs.1,00,000/- per month

**PERQUISITES:-**

- a. Housing: Furnished/ unfurnished residential accommodation or house rent allowance of 60% of salary in lieu thereof.
- b. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax rules, 1962.
- c. Medical reimbursement: Expenses incurred for director and his family as per company's rules.
- d. Leave travel concession: For director and his family, once a year, incurred in accordance with the company's rules.
- e. Club fees: Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.
- f. Personal accident insurance: Premium as per the company's rules.
- g. Contribution to superannuation fund, annuity funds and gratuity / contribution to gratuity fund under Company's rules.
- h. Eligible for leave as per Company's policy
- i. Encashment of leave not availed by Director as per the Company's rules.
- j. Provision of car and telephone at his residence for his use and such other benefits, amenities and facilities as per the Company's rules
- k. The Director will not be entitled to sitting fee for meetings of the Board/Committee attended by them.

The above salary and perquisites shall be subject to the limits specified in Part II of the Schedule V of the Companies Act, 2013. Provided that in case of loss or inadequacy of profit in any financial year, the above remuneration will be treated as the minimum remuneration payable to the Directors since the same is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

The Board recommends the said resolution for approval by the shareholders as a Special resolution. Shareholders are requested to treat this as an abstract under Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel or their relatives except Sri G.V. Gopinath is interested in this resolution. The Board recommends the passing of the Special Resolution as set out in the Item no.3 of the Notice for re-appointment Sri G.V. Gopinath as Managing Director.

**Item No. 4:**

Sri G.S. Sridhar is a Graduate in B.E. Electronics. He has more than 30 years of successful career behind him and has served as Director (Operations) for a period of more than 10 years in the Company. His array of exposure has extended to areas like Finance & Production Planning, Operational techniques, Legal Matters, Management Quality Systems etc. He is taking care of Finance, Production and Operations of the Company. Sri G.S. Sridhar was born on 04.12.1966 and aged about 55 years. He is holding 26,568 (0.44%) Equity Shares in the Company as on 31<sup>st</sup> March 2021. He is holding Directorship in Ba-

laji Trading Enterprises Private Limited and Magic Thrills & Adventures Private Limited. Sri G.S. Sridhar has been associated with Stanpacks (India) Limited as Director from the year 2008.

Sri G.S. Sridhar, was appointed as Joint Managing Director for a period of three years from 1<sup>st</sup> April 2019. His term of three years expires on 31<sup>st</sup> March 2022. Considering his rich experience and achievements for the benefit of the Company, the Nomination and Remuneration Committee recommended to the Board for re-appointment of Sri GS Sridhar as Joint Managing Director of the Company, in addition to his position as Chief Financial Officer, with the remuneration and terms and conditions as detailed below with effect from 1<sup>st</sup> April 2022 for a period of three years. The Board of Directors in their Meeting held on 28<sup>th</sup> May 2021 has approved the re-appointment of Sri G.S. Sridhar as Joint Managing Director and recommend the said resolution for the approval of the Shareholders.

**SALARY:** - Rs.1,00,000/- per month

**PERQUISITES:-**

- a. Housing: Furnished/ unfurnished residential accommodation or house rent allowance of 60% of salary in lieu thereof.
- b. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax rules, 1962.
- c. Medical reimbursement: Expenses incurred for director and his family as per company's rules.
- d. Leave travel concession: For director and his family, once a year, incurred in accordance with the company's rules.
- e. Club fees: Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.
- f. Personal accident insurance: Premium as per the company's rules.
- g. Contribution to superannuation fund, annuity funds and gratuity / contribution to gratuity fund under Company's rules.
- h. Eligible for leave as per Company's policy.
- i. Encashment of leave not availed of by Director as per the Company's rules.
- j. Provision of car and telephone at his residence for his use and such other benefits, amenities and facilities as per the Company's rules.
- k. The Director will not be entitled to sitting fee for meetings of the Board/Committee attended by them.

The above salary and perquisites shall be subject to the limits specified in Part II of the Schedule V of the Companies Act, 2013. Provided that in case of loss or inadequacy of profit in any financial year, the above remuneration will be treated as the minimum remuneration payable to the Directors since the same is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

The Board recommends the said resolution for approval by the shareholders as Special resolution. Shareholders are requested to treat this as an abstract under Section 190 of the Companies Act, 2013.

Except Sri G.S. Sridhar, being an appointee, and Sri. G.S. Rajasekar, Director of the Company, relative of the appointee, none of the other 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.4.

The Board recommends the passing of the Special Resolution as set out in the Item no.4 of the Notice for re-appointment of Sri. G.S. Sridhar as Joint Managing Director.

**Additional Disclosure for Item No: 3 and 4:**

As required under Part II, Section II of Schedule V of the Companies Act, 2013, the following information is furnished:

**I. General Information about the Company and Appointee:**

➤ **Nature of Industry:** Manufacturing – Polypropylene Bags

➤ **Date or expected date of commencement of commercial production:**

The Company commenced business from the date of its incorporation on 20<sup>th</sup> December, 1991.

➤ **Financial Performance:**

During the year 2020-21, the Company's gross revenue from operations was Rs. 3038.02 lakhs. The Net loss after depreciation, interest and tax stood at Rs. 134.78 lakhs and your Company's accumulated loss got increased to that extent.

## II. General Information about the Appointees:

### ➤ Background details, Job Profile and Recognition or awards:

• **Sri. G.V. Gopinath**, aged about 49 years is a Post Graduate in Commerce with Advanced Diploma in Computer Applications taking care of Finance and Marketing of the Company. He has 28 years of successful career behind him. His job profile and responsibility has extended to areas like Finance, Costing and Cost Control, Project planning and Execution, Management Quality System, etc. He is taking care of both Finance and Marketing and plays an important role in the Company.

Sri. G.V. Gopinath, Managing Director of the company required to devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company including performing duties as assigned by the Board from time to time by serving on the Board or any other executive body or any Committee of the company. Sri. G.V. Gopinath is well recognized for his entrepreneur skills in managing finance, cost control and has been efficiently managing overall affairs of the Company.

• **Sri. G.S. Sridhar**, aged about 55 years is a Graduate in B.E. Electronics. He has more than 30 years of successful career behind him and has served as Director (Operation) for a period of more than 10 years in the Company. His job profile and responsibility has extended to areas like Finance & Production Planning, Operational techniques, Legal Matters, Management Quality Systems etc.

Sri. G.S. Sridhar is responsible for the overall performance of the Company. He has been instrumental in giving direction to the entire team of the Company and has been responsible for monitoring their performance on regular basis. Sri. G.S. Sridhar plays a major role in providing thought leadership and strategic inputs to the Company in addition to helping shape business and driving the strategic operations in the Company. Having spent a long time in the Company and been the moving spirit of the Company, he is best suited for the job. Sri. G.S. Sridhar is well recognized for his leadership, visionary and entrepreneur skills.

➤ **Past remuneration:** Sri G V Gopinath and Sri G S Sridhar were drawing Rs. 12,00,000/- each per annum in the year 2020-21.

➤ **Remuneration proposed to the Appointees and comparative remuneration payable with respect to Industry, size of the Company, profile of the position and person:**

The details of remuneration proposed for the appointees are set out in Item no.3 & 4 in Explanatory Statement in respect of Special Business which forms part of Notice.

Taking into consideration the size and level of operations of the Company, the invaluable experience of the appointee, difficult scenario faced by the Company and tight market situation, the industrial norms on remuneration package to Managing Director and Joint Managing Director, the remuneration package is considered very reasonable.

➤ **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Sri. G.V. Gopinath and Sri. G.S. Sridhar belongs to promoters of the Company and holding 0.08% and 0.44% of shares respectively in the paid up capital of the Company.

The Company seeks the permission of the shareholders for making payment to the appointee, remuneration in any of the three years of his appointment as laid down in Part II of Section II to Schedule V of the Companies Act, 2013, only in the event the Company has no profits or inadequate profits in any such financial year.

The resolution set out in item no. 3 & 4 of the accompanying notice is intended to obtain the consent of the shareholders in respect of the re-appointment and remuneration payable to Sri G V Gopinath and Sri G S Sridhar.

**DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 30<sup>th</sup> ANNUAL GENERAL MEETING**

**{In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)}**

Item No.	2	3	4
Name of Director	Sri G.S. Rajasekar	Sri G.V. Gopinath	Sri. G.S. Sridhar
Age	51 Years	49 years	55 years
Qualification	B.Com, ASM, AICWA, MBA (University of Mississippi, Oxford, USA.), CISA (Information Systems Audit and Control Association, USA)	Post Graduate in Commerce with Advanced Diploma in Computer Applications	Graduate in B.E. Electronics
Brief profile including expertise	Sri G.S. Rajasekar has over 27 years of rich and exhaustive experience in the areas of Accounting, BPO, Finance, Taxation, Audit, Consulting, Information Technology, Operations, Banking, Corporate Planning Investment Advisory and has held senior management positions during his career. He started his career in year 1994 with Hello World Inc., in New York, USA as Accounting and System Analyst. During the year 1995, he joined Council on International Educational Exchange, New York., USA as Manager & Senior Cost Accountant, Flown Revenue. He joined BLISS Group of Companies, Chennai, India in 1997 as Vice President - Corporate Planning, Projects & IT and later on appointed as Group CFO & Head IT. He was then appointed as a Chief Executive Officer ACTIVEPOINT Business Consultants (P) Ltd., Chennai in March 2005.	Sri G.V. Gopinath is taking care of Finance and Marketing of the Company. He has 28 years of successful career behind him. His array of exposure has extended to areas like Finance, Costing and Cost Control, Project planning and Execution, Management Quality System, etc. He is taking care of both Finance and Marketing and plays an important role in the Company.	Sri G.S. Sridhar has more than 30 years of successful career behind him and has served as Director - Operations for a period of more than 8 years in the Company. His array of exposure has includes areas like Finance & Production Planning, Operational techniques, Legal Matters, Management Quality Systems etc. He is taking care of Finance, Production and Operations of the Company.
Date of Appointment	30/05/2017	25/09/2008	25/09/2008
Directorships in other companies	ACTIVEPOINT Business Consultants Private Limited	Magic Land Ventures Private Limited	Balaji Trading Enterprises Private Limited, Magic Thrills & Adventures Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	1. Stakeholders' Relationship Committee – Member 2. Share Transfer Committee – Member	None	None

List of Directorship / Membership / Chairmanship of Committees of other Board.	None	None	None
Relationship with other Directors	Relative of Sri. G.S. Sridhar, Joint Managing Director & CFO	None	Relative of Sri. G.S. Rajasekar, Director.
Terms and Conditions of appointment or re-appointment	Sri. G.S. Rajasekar is a Non-Executive Director of the Company, liable to retire by rotation.	Appointment for a period of three years, not liable to retire by rotation	Appointment for a period of three years, , not liable to retire by rotation
Shareholding in Stanpacks India Limited	49,000 (0.80%)	4,967 (0.08%)	26,568 (0.44%)
No. of Board meetings attended during the year	7	7	7
Details of Remuneration sought to be paid	-	Rs.1,00,000 p.m.	Rs.1,00,000 p.m.
Last Remuneration drawn	-	Rs.1,00,000 p.m.	Rs.1,00,000 p.m.

**By Order of the Board**  
For **Stanpacks (India) Limited**

**Place: Chennai**  
**Date: 28<sup>th</sup> May 2021**

**Anup Hegde P**  
**Company Secretary**

## BOARD'S REPORT

To

The Members

Your Directors have pleasure in presenting the Thirtieth Annual Report, together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2021.

### FINANCIAL RESULTS:

The Company's financial results for the period under review are as follows:-

(Rs. In lakhs)

PARTICULARS	2020-21	2019-20
GROSS REVENUE FROM OPERATIONS	3,038.02	2,730.84
NET REVENUE FROM OPERATIONS & OTHER INCOME	3,042.54	2,750.11
PROFIT BEFORE INTEREST & DEPRECIATION	134.05	246.58
INTEREST	188.43	183.14
DEPRECIATION	56.58	58.31
PROFIT BEFORE TAX	(110.96)	5.13
DEFERRED TAX	23.82	(1.89)
PROFIT / (LOSS) AFTER TAX	(134.78)	7.02
PROFIT/ (LOSS) OF EARLIER YEARS	(317.48)	(324.50)
PROFIT / (LOSS)	(452.26)	(317.48)

### DIVIDEND:

Considering the current financial position, the Board of Directors have not recommended any dividend for the financial year 2020-21.

### REVIEW OF OPERATIONS:

During the year under review, your Company has reported Gross Revenue from Operations of Rs. 3,038.02 lakhs compared to Rs. 2,730.84 lakhs during the previous year. During the year, there was increase in Gross Revenue from Operations of the Company by 11%. There is reasonable increase in Sales of the Company during the Financial Year 2020-21 resulting in increase in the total Revenue. The Net Loss after depreciation, interest and tax stood at Rs. 134.78 lakhs as against Net Profit of Rs. 7.02 lakhs in the previous year. Company is taking necessary steps to increase profitability. The accumulated losses as on 31<sup>st</sup> March 2021 have been increased to Rs. 452.26 lakhs resulting in an erosion of 74% of the Net worth of the Company.

The Company had no export sales during the year under review because of outbreak of the covid-19 pandemic. Hence, your Company has stated no exports during Financial Year 2020-21 against the exports of Rs. 16.63 lakhs during the Financial Year 2019-20.

The outbreak of pandemic and lockdowns resulted in few employees moving back to their native and during the lockdown; your Company was servicing only those industries involved in providing essential commodities. The setback faced was also due to under-utilization of capacity which resulted in low production and low sales until August 2020. However, with relaxations being provided gradually by the Government of India, your Company was able to improve its performance by increasing its production and sales from the second half of FY2020-21 which helped in surpassing the total revenue of the previous year. One another major factor that played an important role for the reduced performance of the Company is extreme volatility in the raw material prices. The raw material price fluctuations have also been frequent and on increasing trend making it difficult for the Company to pass the said increase in rates to the customer during these tough times. Your Company has always focused on retaining the existing customers.

Your Company has also availed Rs.150.00lakhs as MSME loan from the Karnataka Bank under GECL Scheme whose guarantee is also covered by NCGTC to mitigate the economic distress faced by MSME enterprise due to covid-19. Your Company has

also made capital expenditure about Rs.1crore for boosting the topline of the Financials and whose result is very much evident in the Fourth Quarter results . Further, the Company is taking necessary action for sale of property at Nellore that shall bring long term liquidity into the Company. Considering the above factors and scope during the immediate future, the Management is confident that the performances from the year 2021-22 will see an upward trend.

#### **TRANSFER TO RESERVES:**

The Company has made no transfers to reserves during the financial year 2020-21.

#### **MATERIAL CHANGES AND COMMITMENTS:**

The Company by the Board in its meeting held on 28<sup>th</sup> May 2021 has decided to initiate with the sale of the property of the Company situated at Nellore. The same has been published as Outcome of the Board Meeting dated 28.05.2021 in the website of the Company – [www.stanpacks.in](http://www.stanpacks.in) as well as in the website of the stock exchange – [www.bseindia.com](http://www.bseindia.com). Any updates regarding the same shall be intimated by publishing it, from time to time, in the website of the Company - [www.stanpacks.in](http://www.stanpacks.in) and in the website of the Stock Exchange – [www.bseindia.com](http://www.bseindia.com).

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Regulation 34(2) of the SEBI Listing (Obligations and Disclosures) Requirements Regulations, the Management Discussion and Analysis Report is enclosed as *Annexure 1*.

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

The Annual Return as required under Section 92 of the Companies Act, 2013 has been published in the website of the Company which can be accessed through the following link – <https://stanpacks.in/annual-return>.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

Sri G.S. Rajasekar (DIN: 00086002), Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The subject forms part of the ordinary business in the Notice of the 30<sup>th</sup> Annual General Meeting. Your Board of Directors has recommended his re-appointment.

Mr. Anup Hegde P had been appointed as the Company Secretary and Compliance Officer of the Company by the Board with effect from 29.06.2020.

Sri R. Sukumar and Smt. Shobha Gupta were re-appointed as Independent Directors for a period of 5 years during the Financial Year 2020-21 in the Annual General Meeting held on 12<sup>th</sup> August 2020. Their tenure was extended till the conclusion of 34<sup>th</sup> Annual General Meeting of the Company.

The Board of Directors has re-appointed Sri G V Gopinath as Managing Director and Sri G S Sridhar as Joint Managing Director with effect from 01st April 2022 for a period of three years subject to the approval of Shareholders. The above business forms part of Notice of the 30th Annual General Meeting for approval of shareholders.

The notice convening the AGM includes the proposal for re-appointment of Directors.

#### **NUMBER OF MEETINGS OF THE BOARD AND BOARDS' 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.

Meeting	No. of Meeting during the Financial Year 2020-21	Date of the Meeting
Board Meeting	7	07 <sup>th</sup> May 2020, 29 <sup>th</sup> June 2020, 04 <sup>th</sup> July 2020, 12 <sup>th</sup> August 2020, 12 <sup>th</sup> November 2020, 11 <sup>th</sup> February 2021 & 30 <sup>th</sup> March 2021.
Audit Committee	4	29 <sup>th</sup> June 2020, 12 <sup>th</sup> August 2020, 12 <sup>th</sup> November 2020 & 11 <sup>th</sup> February 2021

Nomination & Remuneration Committee	1	29 <sup>th</sup> June 2020
Share transfer Committee	-	No meeting held during the year
Stakeholders' Grievances Committee	-	No meeting held during the year

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.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 134(3)(C) of the Companies Act, 2013 the Directors hereby state and confirm that they have:

- In the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for the year ended on that date;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

During the year under review, there were no frauds reported by the Auditors on the employees or officers of the Company under section 143(10) of the Companies Act, 2013.

#### **INDEPENDENT DIRECTORS:**

The Company is managed and controlled by professional Board of Directors with an optimum combination of Executive, Non-Executive and Independent Directors including one Woman Director. The Non – Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013. The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act, that they meet the criteria of independence as laid down in Section 149(6) of the Act.

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy. The draft appointment letter of Independent Directors has been placed on the Company's website at [www.stanpacks.in](http://www.stanpacks.in).

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and have obtained the certificate, either by clearing the self-proficiency test or by claiming exemption.

#### **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:**

As required under Clause VII of Schedule IV of the Companies Act, 2013, the Independent Directors held a Meeting on 11<sup>th</sup> February 2021, without the attendance of Non-Independent Directors and members of 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.

**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, KMP and Senior Management Personnel at regular interval (yearly).
5. The remuneration/ compensation/ commission etc. to the Managerial Personnel, 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.

**BOARD EVALUATION:**

Pursuant to the provision of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Boards' functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Director expressed their satisfaction with the evaluation process.

**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:

**Composition of Audit Committee:**

The Composition of the Audit Committee as on 31<sup>st</sup> March 2021 is as follows:

- Sri R Sukumar – Chairman cum Member
- Sri S Ramakrishnan – Member

- Sri G P N Gupta – Member
- Smt Shobha Gupta - Member
- The Company Secretary shall act as the Secretary of the Committee

**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 and disposed off during the year under review. The Committee in place is for both factory as well as head office of the Company.

**VIGIL MECHANISM:**

Pursuant to Section 177(9) of the Companies Act, 2013, your Company has established a Vigil Mechanism policy for directors and employees to report concerns about unethical behaviors, actual or suspected fraud, violations of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. It is affirmed that during the Financial Year 2019-20, no employee has been denied access to the Audit Committee. The vigil mechanism policy is also available in the Company’s website.

**RISK MANAGEMENT**

Pursuant to Section 134 of the Companies Act, 2013, the Company has a risk management policy in place for identification of key risks to its business objectives, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning.

The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

**STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the appointment of M/s. J.V. Ramanujam & Co, Chartered Accountants (Firm Registration No. 002947S) as Statutory Auditors of the Company have been approved in the 26<sup>th</sup> Annual General Meeting of the Company. They shall hold office until the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company.

**REPORTING OF FRAUDS BY AUDITORS:**

There is no fraud reported in the Company during the F.Y. ended 31st March, 2021. 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, 2021.

**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 from the Financial Year 2014-15. The Company has also intimated the non-applicability of Cost Audit to the Registrar of Companies.

**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, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the year 2020-21 is included as **Annexure2** and forms an integral part of this Report.

The Secretarial Audit Report provided by the Secretarial Auditor, M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries does not contain any observations/qualifications/adverse remarks.

**LOANS, GUARANTEES AND INVESTMENTS:**

The Company has not granted loan or guarantee in respect of a loan to any person or body corporate or acquisition of shares in other body corporate under section 186 of the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm’s length basis and were in the ordinary course of business. 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 related party transactions as required under Section 134 (3) (h) of the Companies Act 2013, r/w Rule 8 of the Companies (Accounts) Rules, 2014 are detailed under Note 12 – Notes annexed to and forming part of the Balance Sheet of the company.

#### 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 paid FY 2020-21	Remuneration paid FY 2019-20	Increase / Decrease in remuneration from previous year	Ratio / times per median of employee remuneration
1	G.V. Gopinath	Managing Director	18.40	19.20	-4.17%	8.03
2	G.S. Sridhar	Joint Managing Director and Chief Financial Officer	18.40	19.20	-4.17%	8.03
3	Anup Hegde P (appointed w.e.f. 29 <sup>th</sup> June 2020)	Company Secretary	3.15	4.16	-	1.83

#### Note:

1. 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.
2. The percentage decrease in the median remuneration of employees in the financial year is 1.73%.
3. The number of permanent employees on the rolls of company as on 31st March 2021 is 50.
4. The average increase in salaries of employees other than managerial personnel in 2020-21 was 2.10%.
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 which is available in the website of the Company [www.stanpacks.in](http://www.stanpacks.in).
6. Sri G.V. Gopinath, Managing Director and Sri G.S. Sridhar, Joint Managing Director and Chief Financial Officer, both, have voluntarily waived 50% of their Salary for the month of April 2020 in order to ease the financial stress on the Company due to outbreak of Covid-19 pandemic.
7. Increase/Decrease in remuneration for Company Secretary has not been calculated since the tenure of the Company Secretaries were different for the respective years.
8. The Ratio of salary of Company Secretary with the median has been calculated proportionately for whole year.

#### 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.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Sec.134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are enclosed as part of the Report as **Annexure – 3**.

**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, with the approval of Board of Directors, 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 2020-21, a separate report of Corporate Governance is not disclosed in the Annual Report 2020-21.

**DETAILS OF ONE TIME SETTLEMENT WITH ANY BANK OR FINANCIAL INSTITUTION ALONG WITH THE REASONS THEREOF:**

During the year under review there was no instance of one-time settlement with any Bank or Financial Institution.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

**SECRETARIAL STANDARDS OF ICSI:**

The Company herewith confirms that during the year under review, the Company has complied with all the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

**CORPORATE SOCIAL RESPONSIBILITY:**

As per the provision of Section 135 of the Companies Act, 2013, all companies having a net worth of Rs.500crore or more, or a turnover of Rs.1,000crore or more or a net profit of Rs.5crore or more during any financial year are required to constitute a CSR committee and our Company does not meet the criteria as mentioned above, hence the Company has not constituted any Corporate Social Responsibility Committee; and has not developed and implemented any Corporate Social Responsibility initiatives and the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

**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.

**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.

**LISTING FEES:**

The Company confirms that it has paid the annual listing fees for the year 2021-22 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 05<sup>th</sup> August 2021 to 11<sup>th</sup> August 2021 (both days inclusive).

**DEPOSITS:**

During the financial year 2020-21, your Company has not accepted any deposit under the provisions of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. Your company has repaid all the deposits accepted under Companies Act, 1956 with interest and as such no amount of principal or interest was outstanding as on the Balance Sheet date.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS OR TRIBUNALS:**

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.

**INTERNAL FINANCIAL CONTROLS:**

The company has in place Internal Financial Control system, commensurate with size & complexity of its operations to ensure proper recording of financial and operational information & compliance of various internal controls & other regulatory & statutory compliances. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**QUALITY MANAGEMENT SYSTEMS:**

Your Directors are happy to report that as a commitment in meeting global quality standards, your company continues to have ISO 9001:2015 quality management systems a certificate from Intertek Certification Limited.

**FORWARD LOOKING STATEMENTS:**

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their sincere gratitude to the encouragement, assistance, co-operation and support given by the Central Government, the Government of Tamil Nadu, and The Karnataka Bank Ltd. during the year. They also wish to convey their gratitude to all the customers, Auditors, suppliers, dealers and all those associated with the company for their continued patronage during the year.

Your Directors also wish to place on record their appreciation for the hard work and unstinting efforts put in by the employees at all levels. The directors are thankful to the esteemed stakeholders for their continued support and the confidence reposed in the Company and its management.

**For and on behalf of the Board**

**Place: Chennai**  
**Date: 28<sup>th</sup> May 2021**

**G V Gopinath**  
**Managing Director**

**G S Sridhar**  
**Joint Managing Director and CFO**

## ANNEXURE - 1

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### ECONOMIC OVERVIEW:

##### GLOBAL:

The fiscal year 2020-21 started with the outbreak of covid-19 pandemic and lockdown imposed in the countries which were highly affected by this pandemic. Since its first outbreak in Wuhan, China, COVID-19 has infected all continents, including Antarctica (in December, 2020), and more than 220 countries. The health shock, though global, has transmitted through different trajectories across countries in terms of total infections, mortalities, and recoveries. The International Monetary Fund (IMF) in its report published in June stated that the pandemic had a greater negative impact on the global economy than what was expected in its April 2020 forecast and had dropped by 1.9% points to -4.9%. The pandemic rapidly intensified in a number of emerging market and developing economies, necessitating stringent lockdowns and resulting in even larger disruptions to activity than forecast. In others, recorded infections and mortality have instead been more modest on a per capita basis, although limited testing implies considerable uncertainty about the path of the pandemic. In many advanced economies, the pace of new infections and hospital intensive care occupancy rates have declined thanks to weeks of lockdowns and voluntary distancing. Globally, lockdowns were at their most intense and widespread from about mid-March through mid-May.

During October 2020, as economies reopened and released constraints on spending, overall activity normalized faster than anticipated in the June 2020 WEO *Update*. Second quarter GDP was weaker than projected, for instance, where domestic demand plunged following a very sharp compression in consumption and a collapse in investment (such as in India), where the pandemic continued to spread (such as in Mexico), where soft external demand weighed particularly heavily on exporting sectors (for example, in Korea), and where significant weakening of remittance flows weighed on domestic spending. *Global growth* is projected at -4.4% in 2020, 0.8% point above the June 2020 WEO *Update* forecast. The stronger projection for 2020 compared with the June 2020 WEO *Update* reflects the net effect of two competing factors: the upward impetus from better-than-anticipated second quarter GDP outturns (mostly in advanced economies) versus the downdraft from persistent social distancing and stalled reopenings in the second half of the year.

IMF had given a stronger starting point for the 2021–22 forecast with multiple vaccine approvals and the launch of vaccination in some countries in December have raised hopes of an eventual end to the pandemic. Moreover, economic data released after the October 2020 WEO forecast suggest stronger-than-projected momentum on average across regions in the second half of 2020. These developments indicate a stronger starting point for the 2021–22 global outlook than envisaged in the previous forecast. After an estimated 3.5% contraction in 2020, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. The estimate for 2020 is 0.9% point higher than projected in the October WEO forecast. This reflects the stronger than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3% point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections.

Global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 WEO. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions. However, the rise of cases of covid-19 in form of a new variant in this second wave has again put the estimates in question.

##### INDIA:

India imposed a stringent nation-wide lockdown during the initial phase of the pandemic in March-April, 2020, followed by gradual unlocking and phasing out of the containment measures. As the first step towards timely identification, prompt isolation & treatment, testing was identified as an effective strategy to limit the spread of infection. A characteristic of the pandemic, which aggravated its virulence, was its probable transmission by asymptomatic people. Large scale testing was, therefore, imperative for quick identification of cases, immediate isolation to prevent spread and timely treatment. It also helped in effective contact tracing and timely isolation of prospective cases. Testing policy has been continuously evolving since the beginning of the pandemic with countries rapidly gearing up the testing capacity to curb the pace of spread. The pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. Sizeable discretion-

ary support, along with a sharp contraction in output and an ensuing fall in revenues has led to a surge in government debt and deficits. Debt burdens have increased as corporates faced a period of sharply reduced sales and sovereigns have financed large stimulus packages. Debt levels have reached historic highs, making the global economy particularly vulnerable to financial market stress.

The Indian economy, after subdued growth in 2019, had begun to regain momentum January 2020 onwards, only to be stalled by the once-in-a-century black swan COVID-19 outbreak. The economy witnessed a sharp contraction of 23.9 per cent in Q1: FY 2020-21 and 7.5 per cent in Q2: FY 2020-21 due to the stringent lockdown imposed during March-April, 2020. Since then, several high frequency indicators have demonstrated a V-shaped recovery. The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the astute support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. There has been rapid recovery in India's economic activity from the COVID-19 pandemic induced unprecedented lows of the first quarter of FY 2020-21 on the back of extraordinary fiscal and monetary support provided by the Government and RBI. Overall movement of high frequency indicators over Q1, Q2 and Q3 indicated speedy pickup in Q2 and growing convergence to pre-pandemic levels in Q3 (Figure 21). As India's mobility and pandemic trends aligned and improved concomitantly, indicators like E-way bills, rail freight, GST collections and power consumption not only reached pre-pandemic levels but also surpassed previous year levels.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Valued at US\$31.7 billion in 2015, the Indian packaging industry was pegged to touch US\$72.6 billion by 2020, as per the Associated Chambers of Commerce and Industry of India. The spread of Coronavirus side-tracked the forecasts considerably. However, the impact of the pandemic has varied, largely dependent on the end-user industry. Even with the ongoing pandemic, the industry has continued to steadily rise—though not at the same scale as pre-Covid times—with the emergence of online retail and e-commerce brand. Global PP Reusable Bag market size is projected to reach USD 501.5 million by 2026, from USD 424.9 million in 2020, at a CAGR of 2.8% during 2020-2026.

The Indian plastics industry made a promising beginning in 1957 with the production of polystyrene. Thereafter, significant progress has been made, and the industry has grown and diversified rapidly. The industry spans the country and hosts more than 2,000 exporters. It employs about 4 million people and comprises more than 30,000 processing units, 85-90% of which are small and medium-sized enterprises. In FY20, plastic and linoleum export from India stood at US\$ 7.55 billion. During April 2019 to January 2020, plastic export stood at US\$ 7.045 billion with the highest contribution from plastic raw material at US\$ 2.91 billion, plastic sheets, films, and plates at US\$ 1.22 billion and packaging materials at US\$ 722.47 million. India exported plastics raw materials worth US\$ 813 million in October 2020, and the export during April 2020 to October 2020 was US\$ 5.58 billion. India exported plastics worth US\$ 237.16 million in January 2021, and the export during April 2020 to January 2021 was US\$ 2.76 billion. The Packaging Industry in India is expected to register a CAGR of approximately 26.7% during the period (2021-2026). After the COVID-19 pandemic, most developed countries are either burning wastepaper or using it for landfill to avoid coronavirus spread. This has resulted in a huge shortage of raw material for Indian paper mills. The manufacturers of Indian corrugated cardboard boxes are working to keep transport packaging flowing to makers of essential products, including packaging for food and other consumer products, medical and pharmaceutical products, tissue, and hygiene products.

### **SCOT ANALYSIS:**

#### **OPPORTUNITIES AND STRENGTH:**

In India, the packaging industry has witnessed constant changes over the years while it emerged as one of the largest sectors in India's economy. The fast-moving consumer goods (FMCG), food processing sector, and pharmaceuticals are also some of the biggest contributors driving the growth of the packaging industry in the country for a long time. China, which is the leader in the packaging sector, lost its clients, and its economy is likely to decrease up to 50% during and after the pandemic. This is because all the companies who were relying on China for packing are now shifting their businesses to other second-world countries such as India. Following the pandemic, packaging companies will need to rebalance sustainability goals that incorporate heightened hygiene, normalize e-commerce, and take product cost into consideration. Demand will rise sharply for packaging for groceries, healthcare products, and e-commerce transportation. At the same time, demand for industrial, luxury, and some B2B-transport packaging could decline. The impact of the pandemic will have a positive effect on performance because these new trends will highlight customers' needs across the industry.

PP bags are the traditional bags in packaging industry due to their wide variety of usage, flexibility and strength. Polypropylene bags are specializing in packing and transporting bulk commodities. Due to strength, flexibility, durability and lower cost, polypropylene bags are most popular products in industrial package, which are widely used in packing grain, feeds,

fertilizer, seeds, powders, sugar, salt, powder, chemical in granulated form. Hence, the opportunities for the product in the market are enormous.

Stanpacks (India) Limited strongly believes in being close to the customers and working towards for customers' satisfaction. The Company ensures on best quality products matching with the global standards and specifications which is the strength in the growing scenario. Customers are serviced by a professional set of Sales & Marketing executives as well as technical service team offering solutions and help to upgrade product performance by suggesting and working alongside Customer's production units.

#### **CHALLENGES AND THREATS:**

Constant fluctuation in the raw material (Polypropylene) prices can be the major hindrance in the Company growth. Since your Company is involved in manufacturing, manpower plays a major role in its production. With the outbreak of pandemic, the Company has taken all precautionary measures to ensure that there is no risk to the health of employees. However, the risk of employees getting infected with covid-19 still remains uncertain. Despite these constraints the Company managed to increase its turnover in the year 2020-21 as compared to the previous year 2019-20. Hence, with proper planning and implementation, the Company could manage to keep these uncertainties under control.

With the outbreak of covid-19 pandemic, foreign trade have also been affected due to which your Company could not make any export sales during the Financial Year 2020-21. Hence, orders from foreign entities shall also remain uncertain.

#### **IMPACT OF COVID-19:**

The lockdown was enforced by the Government of India with effect from 23<sup>rd</sup> March, 2020 to contain the spread of COVID 19 in the country has marginally affected the operations of the Company as the office and manufacturing unit were not operating in full force. Since, the Company is engaged in services incidental to the essential services, the Company received permission from the authorities to start operations in the month of April for supplying goods to entities engaged in essential services alone. During the first half, your Company was servicing only those who were dealing in essential commodities. Hence, the production and sales of the Company were both limited to that extent.

The Company had complied with all precautionary measures as per the Government's directives provided from time to time at all times. With gradual relaxations being provided by the Central Government, the Company had increased its manufacturing operations by improving its production capacity which was still below its actual capacity. The operations during the first half of the Financial Year had been sub-optimal with production being less than the actual capacity and with employees moving back to their hometown, etc. However, the Company was able to stabilize its operations only during the second half of the Financial Year 2020-21.

Being a labour intensive industry, your Company has incurred costs for the safety of the employees of the Company by installing face recognition attendance/time recording system, regular sanitization of the factory/office premises, providing transportation facility to the employees, installing sanitizers at several places in the factory, providing work from home facility to employees involved in administration, etc. and as precautionary measures to mitigate the risk of spread of covid-19.

Your Company has also availed Rs.150.00lakhs as MSME loan from the Karnataka Bank under GECL Scheme whose guarantee is also covered by NCGTC to mitigate the economic distress faced by MSME enterprise due to covid-19. With the rise of covid-19 cases during the second wave at the later part of the Financial Year 2020-21 and lockdown imposed by the State Government of Tamil Nadu from May 10<sup>th</sup> 2021, your Company had been operating without any interruption since it is involved in servicing the industries engaged in essential commodities. The effect of the second wave of covid-19 has only marginally affected the operations of the Company.

#### **FINANCIAL PERFORMANCE:**

<b>Particulars</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Revenue from Operations	3038.02	2,730.84
Total Revenue	3042.54	2,750.11
Profit before Tax	(110.96)	5.13
Profit After Tax	(134.78)	7.02
Earnings per share	(2.21)	0.12

**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).

Particulars	31.03.2021	31.03.2020	Change in % (decrease/increase)	Reason for Change
Debtors Turnover	7.91	8.94	-11.52	Change is not more than 25%
Inventory Turnover	1.54	1.30	18.46	Change is not more than 25%
Interest Coverage Ratio	0.41	1.03	-60.19	Change is due to decline in operating profit.
Current Ratio	1.47	1.56	-5.77	Change is not more than 25%
Debt Equity Ratio	10.01	4.70	112.98	Change is due to decline in Net Worth (equity) by Rs.134.78lakhs which is Loss for the current year
Operating Profit Margin	15.21%	21.45%	-29.09	Change is due to fluctuations in the cost of raw materials. During the year, cost of raw materials saw an upward trend which resulted in increased cost of materials consumed
Return on Net Worth	(85.66%)	2.40%	-3669.17	Change is due to significant amount of loss during the year compared to marginal profit stated by the Company during previous year which also resulted in significant fall in Net worth of the Company

**INTERNAL CONTROL SYSTEM:**

The Company believes in constant improvement and strives for better system and control at every stage. The Company has adopted various control and monitoring mechanisms, which are audited by an independent Internal Auditor. The Company has a proper and adequate system of internal control to ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. Internal Audit is conducted by M/s. M.R. Ravichandran & Co, Chartered Accountants, Chennai, and their report is placed before the Audit Committee.

The Audit Committee also evaluates the adequacy and effectiveness of the internal control systems and monitors the action taken pursuant to audit observations. All the shortcomings in the regular activities are brought to the notice of the Committee and the Board based on which corrective actions are taken.

**HUMAN RESOURCES:**

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 complaints received regarding sexual harassment. During the period under review, there were no complaints received by the ICC.

The performance of the Company is critically dependent on the knowledge and skills of its people, their alignment and ownership of the organizational and functional objectives, an enabling operating environment and the motivation and enthusiasm that comes with employees taking ownership of their responsibilities and tasks. The industrial relations scenario remained harmonious throughout the year. Your Company has designated and implemented a large number of initiatives to build and improve knowledge base and competencies of employees at all levels.

**OUTLOOK:**

Your Company decided to automate few processes of production during the year in order to tackle the deficiency in available workers. This automation was done not to reduce the number of workers but to improve the production capacity, quality of bags that were produced and it also helped in the reduction of production cycle time.

The Company ensures getting new models and designs of its product with the best and unbeatable quality at reasonable prices to cater to the requirements and preferences of its customers. The Company continued its focus on marketing activities by participating in many new markets. Your company has introspected with its customer base and greatly recognizes the need for innovations and new product developments to drive growth and better margins. There is ample scope and opportunity for companies having business in these sectors not to mention the potential of your company and its large presence in these sectors for many years.

Substitutions of Traditional packaging and retail chains are the most important drivers for the market growth. The real opportunity lies in developing nations or emerging economies. The company being a fully integrated end-to-end packaging materials solution company, the window of opportunity is promisingly big. Innovation to create value added differentiation; ability to execute any quantum of order; ensuring an enviable speed to market reach puts the company in a good stead to double up its top-line in the next 4-5 years.

**CAUTIONARY STATEMENT:**

Statement in the Director's Report and Management Discussion & Analysis Report contain forward looking statements. Actual results, performances or achievements may vary materially from those expressed or implied, depending on the economic conditions, Government policies, subsequent developments and other incidental factors.

**For and on behalf of the Board**

**Place: Chennai**  
**Date: 28<sup>th</sup> May 2021**

**G V Gopinath**  
**Managing Director**

**G S Sridhar**  
**Joint Managing**  
**Director and CFO**

**ANNEXURE - 2****Secretarial Audit Report for the financial year ended 31.03.2021**

[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  
Stanpacks (India) Limited  
S.K. Enclave, New No. 4 (Old No.47)  
Nowroji Road, Chetpet,  
Chennai -600031

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, 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:

- a) all the documents and records made available to us and explanation provided by Stanpacks (India) Limited ("the Listed Entity"),
- b) the filings/submissions made by the Listed Entity to the Stock Exchanges,
- c) website of the listed entity,
- d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Stanpacks (India) Limited ("the Company") for the financial year ended on 31st March, 2021 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;
  - vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015;

We hereby report that

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

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

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

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

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

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines except e-form CHG-1 & e-form MGT-14 filed under CFSS.

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

- 1) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- 2) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- 3) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- 4) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 5) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 6) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 7) SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019(Regulation 24A of SEBI (LODR))

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, 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 constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors during the period under review which were in compliance with the provisions of the Act.

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

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

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

- Mr.Panemangalore Anup Hegde was appointed as the Company Secretary of the Company with effect from 29<sup>th</sup> June 2020.
- Mr.R.Sukumar has been re-appointed as an Independent Director of the Company from the conclusion of 29<sup>th</sup> Annual General meeting for a period of five consecutive years on receipt of shareholders approval in the Annual General Meeting held on 12<sup>th</sup> August 2020.
- Ms.Shoba Gupta has been re-appointed as an Independent Director of the Company from the conclusion of 29<sup>th</sup> Annual General meeting for a period of five consecutive years on receipt of shareholders' approval in the Annual General Meeting held on 12<sup>th</sup> August 2020
- The Company has availed credit facility of Rs.1,50,00,000 (Rupees One crore Fifty Lakhs only) from Karnataka Bank Limited under Guaranteed Emergency Credit Line Scheme by hypothecating Company's book debts, outstanding money, receivables, claims, investment, machinery and requisite charge form evidencing creation of charge in favour of Karnataka Bank Limited has been filed with Ministry of Corporate Affairs.
- The Company has received Show Cause Notice dated 07<sup>th</sup> February, 2020 under Section 124 and 125 of the Companies Act, 2013 for non-transfer of shares to Investor Education and protection Fund from Ministry of Corporate Affairs. With reference to the show cause Notice received, the Company has transferred 82502 shares pertaining to 2004-2005 & 290217 shares pertaining to 2005-2006 to IEPF Suspense account in e-Form IEPF-4 within the timeframe extended by the Ministry of Corporate Affairs.

Place: Chennai  
Date: 28-05-2021

For LAKSHMMI SUBRAMANIAN & ASSOCIATES  
Lakshmmi Subramanian  
Senior Partner  
FCS No. 3534  
C.P.No. 1087  
UDIN: F003534C000415431

**ANNEXURE – A**

To,  
The Members  
Stanpacks (India) Limited

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.

Place: Chennai  
Date: 28-05-2021

For LAKSHMMI SUBRAMANIAN & ASSOCIATES  
Lakshmmi Subramanian  
Senior Partner  
FCS No.3534  
C.P.No. 1087  
UDIN: F003534C000415431

## ANNEXURE - 3

## INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

## A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
(ii) The steps taken by the Company for utilizing alternate sources of energy	
(iii) The capital investment on energy Conservation equipments;	

Total energy consumption per unit of production is as follows:

Sl. No	Particulars	Current Year 2020-21	Previous Year 2019-20
<b>1</b>	<b>Electricity purchased from Electricity Boards</b>		
	a. Total units purchased / consumed	14,15,364	12,63,648
	b. Total amount of Electricity bill (in Rs.)	1,18,33,764	1,07,97,587
	c. Rate per unit (in Rs.)	8.36	8.54
<b>2</b>	<b>Own generation through Diesel generator</b>		
	Diesel generator (in unit)	18,496	37,273
	Fuel (in ltrs.)	6,656	13,730
	Average unit generated per ltr.	2.78	2.71
	Rate per unit (in Rs.)	27.88	25.69

## B. TECHNOLOGY ABSORPTION:

The Company has taken various efforts in utilizing the maximum available sources of technology and has increased its productivity during the year. There is no major technology absorption or research & development cost incurred during the year.

(Rs. in lakhs)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO	2020-21	2019-20
<b>Foreign Exchange outgo</b>		
Imports (CIF)	21.27	Nil
Travel	Nil	Nil
<b>Foreign Exchange Earned:</b>		
F.O.B. Value of Exports	Nil	16.63

For and on behalf of the Board

Place: Chennai  
Date: 28<sup>th</sup> May 2021

G V Gopinath  
Managing Director

G S Sridhar  
Joint Managing Director and CFO

## INDEPENDENT AUDITORS' REPORT

**To the Members of Stanpacks India Limited**

### Opinion

We have audited the accompanying financial statements of **Stanpacks India Limited**, which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2021; and its Loss after Tax, Total Comprehensive Loss, the changes in Equity, and Cash Flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

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

Sl. No	Key Audit Matter	Auditors' Response
2	<b>Property, Plant and Equipment</b> Management judgement is utilised for determining the carrying value of property, plant and equipment, intangible assets and their respective depreciation/ amortization rates. These include the decision to capitalise or expense costs; the annual asset life review; the timelines of the capitalisation of assets and the measurement and recognition criteria for assets retired from active use. Please refer accounting policy.	<p>We have done verification of controls in place over the fixed assets cycle, evaluated the appropriateness of capitalisation process, performed tests to verify the capitalised costs, assessed the timelines of the capitalisation of the assets and assessed the derecognition criteria for assets retired from active use.</p> <p>Useful life review of assets has been assessed by the management. In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalised; determination of realizable value of the assets retired from active use; the appropriateness of asset lives applied in the calculation of depreciation/ amortization; and the useful lives of assets prescribed in Schedule II of the Companies Act, 2013.</p>
3	<b>Provisions and Contingent Liabilities</b> The Company is involved in certain legal and tax disputes and the assessment of the risks associated with the litigations is based on Management assumptions, which require the use of judgment and such judgment relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings.	<p>Our audit procedure in response to same is included, among others,</p> <ul style="list-style-type: none"> <li>• Assessment of the process to identify legal and tax litigations, and pending administrative proceedings.</li> <li>• Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings/judgement in similar cases.</li> <li>• Analysis of opinion received from the tax consultant where available.</li> <li>• Review of the adequacy of the disclosures in the notes to the financial statements.</li> </ul>

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

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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*

**(Sri Narayana Jakhotia)**  
*Partner*  
M.No.233192  
UDIN: 21233192AAAABH9525

Place: Chennai  
Date: May 28, 2021

## “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 Stanpacks India Limited (“the Company”), for the year ended March 31, 2021)**

- i)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.
  - (b) According to the information and explanations given to us, physical verification of movable fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the movable fixed assets 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. As per the information and explanations provided by the management, the same has been carried out during the financial year. Immovable Fixed Assets like plant and machinery is being inspected every year by an independent chartered engineer.
  - (c) The title deeds of immovable properties are held in the name of the company.
- ii)
  - (a) The management has conducted the physical verification of inventory at reasonable intervals during the year. We are informed that no major discrepancies were noticed on verification between the physical stock and book records.
  - (a) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- iii) According to the information given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clauses (iii) (a), (iii) (b) and (iii)(c) of Paragraph 3 of the Order are not applicable to the Company.
- iv) The Company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from public during the year hence the directives issued by RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2015, are not applicable.
- vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of Cost Records under sub-section (1) of section 148 of the Act.
- vii)
  - (a) According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues were outstanding as at March 31, 2021 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:

S. No	Name of the Statute	Nature of Dues	Amt. (Rs. in lakhs)	Pertaining	Forum where the dispute is pending
1	Sales Tax	Sales Tax Demand	3.53	1995-96	On Appeal the case was remanded back to the CTO
2	Sales Tax	Sales Tax Demand	1.28	1997-98	On Appeal the case was remanded back to the CTO

- 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

**(Sri Narayana Jakhotia)**  
*Partner*  
 M.No.233192  
 UDIN: 21233192AAAABH9525

Place: Chennai  
 Date: May 28, 2021

**“ANNEXURE B” to the Independent Auditor’s Report of even date on the  
Standalone Financial Statements of Stanpacks (India) 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 Stanpacks (India) Limited (“the Company”) as of March 31, 2021 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, 2021, 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: May 28, 2021

**(Sri Narayana Jakhotia)**  
*Partner*  
M.No.233192  
UDIN: 21233192AAAABH9525

## Balance Sheet as on ended 31st March, 2021

Rs. in lakhs

	Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant & Equipment	2.1	317.54	263.04
	(c) Capital work-in-progress		-	-
	(b) Intangible assets		-	-
	(d) Financial Assets		-	-
	(i) Other financial assets	2.2	19.59	23.59
	(e) Deferred Tax Assets (Net)	2.3	12.08	35.90
	(f) Other non-current assets	2.4	85.05	86.98
	<b>Total Non-current assets</b>		<b>434.26</b>	<b>409.51</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	2.5	1,417.08	1,409.84
	(b) Financial Assets			
	(ii) Trade receivables	2.6	384.14	305.43
	(ii) Cash and cash equivalents	2.7	1.89	1.39
	(iii) Bank balance other than	2.8	12.49	20.04
	(ii) above			
	(iii) Loans	2.9	0.07	(0.21)
	(iv) Other financial assets	2.10	-	-
	(d) Other current assets	2.11	10.58	8.01
			<b>1826.25</b>	<b>1,744.50</b>
	Assets classified as held for sale		-	-
	<b>Total Current assets</b>		<b>1826.25</b>	<b>1,744.50</b>
	<b>TOTAL ASSETS</b>		<b>2260.51</b>	<b>2,154.00</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	2.12	609.60	609.60
	(b) Other Equity	2.13	(452.26)	(317.48)
	Total Equity		157.34	292.12
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	2.14	754.79	640.22
	(ii) Others financial liabilities		-	-
	(b) Provisions	2.15	102.49	105.11
	(c) Other non-current liabilities		-	-
	<b>Total Non-current liabilities</b>		<b>857.28</b>	<b>745.33</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	2.16	820.86	733.61
	(ii) Trade payables	2.17	316.73	272.47
	(iii) Others financial liabilities	2.18	50.04	52.92
	(b) Other current liabilities	2.19	55.73	44.52
	(c) Provisions	2.20	2.52	13.03
	<b>Total current liabilities</b>		<b>1245.89</b>	<b>1,116.55</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2260.51</b>	<b>2,154.00</b>

See accompanying notes forming part of the financial statements

Significant accounting policies & Notes to accounts 2.1 to 2.20

As per our report attached

**For J.V. RAMANUJAM & CO**

For and on behalf of the Board

Chartered Accountants

FRN: 002947S

**G V Gopinath**  
Managing Director

**G S Sridhar**  
Joint Managing  
Director and CFO

**Sri Narayana Jakhotia**

Partner

Membership No.233192

Place: Chennai

Date: 28th May 2021

**Anup Hegde P**  
Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2021

Rs. in lakhs

	Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
1	Revenue from operations	2.21	3038.02	2,730.84
2	Other income	2.22	4.52	19.26
3	<b>Total Revenue (1+2)</b>		<b>3042.54</b>	<b>2,750.10</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	2.23	1671.94	1,603.18
	(b) Changes in inventories of finished goods and work-in-process	2.24	127.85	(179.55)
	(c) Excise duty, Sales Tax and Goods and Service Tax		466.01	393.38
	(d) Employee benefits expense	2.25	245.97	264.95
	(e) Finance costs	2.26	188.43	183.14
	(f) Depreciation and amortisation expense	2.1	56.58	58.30
	(g) Other expenses	2.27	396.72	421.56
	<b>Total expenses (4)</b>		<b>3153.5</b>	<b>2744.97</b>
5	<b>Profit / (Loss) before exceptional items and tax (3 - 4)</b>		<b>(110.96)</b>	<b>5.13</b>
6	<b>Exceptional items</b>		-	-
7	<b>Profit / (Loss) before tax (5 - 6)</b>		<b>(110.96)</b>	<b>5.13</b>
8	<b>Tax Expense</b>			
	(a) Current tax			
	(b) Deferred tax		23.82	(1.89)
	<b>Total tax expense</b>		<b>23.82</b>	<b>(1.89)</b>
9	<b>Profit after tax from continuing operations (7 - 8)</b>		<b>(134.78)</b>	<b>7.02</b>
10	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to Profit or Loss			
	(a) Actuarial Loss on Gratuity		-	-
	"B (i) Items that may be reclassified to profit or loss reclassified to Profit or Loss"		-	-
11	<b>Total other comprehensive income / (loss) (A + B)</b>		<b>-</b>	<b>-</b>
12	<b>Total Comprehensive Loss for the year (9 + 11)</b>		<b>(134.78)</b>	<b>7.02</b>
13	<b>Earnings per share (of Rs. 10/- each):</b>			
	(a) Basic	2.28	(2.21)	0.12
	(b) Diluted	2.28	(2.21)	0.12

Significant accounting policies & Notes to accounts 2.21 to 2.28  
As per our report attached

For J.V. RAMANUJAM &amp; CO

Chartered Accountants

FRN: 002947S

Sri Narayana Jakhotia  
Partner  
Membership No.233192

Place: Chennai  
Date: 28th May 2021

For and on behalf of the Board

G V Gopinath  
Managing Director

G S Sridhar  
Joint Managing  
Director and CFO

Anup Hegde P  
Company Secretary

## Cash Flow Statement for the year ended 31 March, 2021

Rs. in lakhs

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2021	
<b>A. Cash flow from operating activities</b>				
Profit for the year	(110.96)		5.13	
Adjustments for:				
Depreciation and amortisation expense	56.58		58.30	
Loss on sale of property, plant and equipment (net)	(0.27)		-	
Finance Cost	188.43		183.14	
Interest income	(3.13)		(11.79)	
Dividend income	-		-	
Operating (loss) before working capital changes		<b>130.65</b>		<b>234.78</b>
Adjustments for :				
<i>(Increase) / decrease in operating assets:</i>				
Trade receivables	(78.71)		90.51	
Other current assets	(2.57)		(4.17)	
Other Non-current assets	1.93		7.88	
Loans and other financial assets	6.57		3.16	
Inventories	(7.24)		(162.46)	
<i>Increase / (decrease) in operating liabilities:</i>				
Trade payables	44.26		90.08	
Other financial and current liabilities	8.34		(7.08)	
Other Non-current liabilities	(2.60)			
Provisions	(10.51)		25.60	
Cash generated from operations		<b>(40.53)</b>		<b>43.52</b>
Taxes paid		-		-
<b>Net cash generated / (used in) from operating activities</b>		<b>90.12</b>		<b>278.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment (including capital work in progress)	(111.08)		(20.77)	
Sale proceeds of property, plant and equipment	0.27			
Deposit balances not considered as Cash and cash equivalents	7.55		(1.26)	
Purchase of investments				
Interest received	3.13		11.79	
<b>Net cash flow from investing activities</b>		<b>(100.13)</b>		<b>(10.24)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Proceeds from Borrowings	198.94		(84.11)	
Interest Paid	(188.43)		(183.14)	
<b>Net cash generated from financing activities</b>		<b>10.51</b>		<b>(267.25)</b>
<b>Net increase / (decrease) in cash and cash equivalents(A+B+C)</b>		<b>0.50</b>		<b>0.81</b>
Cash and cash equivalents at the beginning of the year		1.39		0.58
Cash and cash equivalents at the end of the year		1.89		1.39
<b>Reconciliation for cash and cash equivalents:</b>				
Cash and cash equivalents as at the year end as per Balance Sheet	<b>1.89</b>		<b>1.39</b>	
Cash & cash equivalents - closing balance		<b>1.89</b>		<b>1.39</b>

As per our report attached

**For J.V. RAMANUJAM & CO**

Chartered Accountants

FRN: 002947S

For and on behalf of the Board

**G V Gopinath**  
Managing Director

**G S Sridhar**  
Joint Managing  
Director and CFO

**Sri Narayana Jakhotia**  
Partner  
Membership No.233192  
Place: Chennai  
Date: 28th May 2021

**Anup Hegde P**  
Company Secretary

## Statement of Changes in Equity

Rs. in lakhs

Equity Share Capital					
Particulars					Amount
Equity shares of Rs.10 each issued, subscribed and fully paid					
Balance at April 01, 2019					609.60
Changes in equity share capital during the year					-
Balance at March 31, 2020					609.60
Changes in equity share capital during the year					-
Balance at March 31, 2021					609.60
Other Equity					
Particulars	Reserves & Surplus			Items of other comprehensive income	Total Equity attributable to equity share holder
	Retained Earnings	Securities Premium	General Reserve	Acturial Gain/Loss	
Balance as of April 1, 2019	(310.21)	-	-	(14.29)	(324.50)
Changes in the equity for the year March 31, 2020					
Profits for the year	7.02	-	-	-	7.02
Other comprehensive income for the year	-	-	-	-	
Balance as of March 31, 2020	(303.19)	-	-	(14.29)	(317.48)
Changes in the equity for the year March 31, 2021					
Profits for the year	(134.78)	-	-	-	(134.78)
Other comprehensive income for the year	-	-	-	-	-
Balance as of March 31, 2021	(437.97)	-	-	(14.29)	(452.26)

As per our report attached

For J.V. RAMANUJAM &amp; CO

Chartered Accountants

FRN: 002947S

For and on behalf of the Board

**G V Gopinath**  
Managing Director

**G S Sridhar**  
Joint Managing  
Director and CFO

**Sri Narayana Jakhotia**  
Partner  
Membership No.233192  
Place: Chennai  
Date: 28th May 2021

**Anup Hegde P**  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS

### CORPORATE INFORMATION:

Stanpacks (India) Limited is a Public Company in India, incorporated on 20<sup>th</sup> December 1991. The Company is engaged in the business of manufacturing Polypropylene Bags. The shares of the Company are being listed in the Bombay Stock Exchange.

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1.1 Basis of Preparation Of Financial Statements:

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) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

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 realizable 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 categorized 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.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets and processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non-current classification of assets and liabilities.

#### 1.2 Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities on the date of the financial statements and the reported amount of income and expense during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in future periods. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### 1.3 Property, Plant and Equipment :

Items of property, plant and equipment are initially measured at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes (except GST), duties, freight, installation allocated incidental expenditure during construction / acquisition and necessary adjustments in the year of final settlement. The cost of property, plant and equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same.

Cost of an item of property, plant and equipment includes estimated costs of dismantling and removing the item and restoring the site on which it is located. The present value of those costs (decommission or restoration costs) is capitalized as an asset and depreciated over the useful life of the asset.

Borrowing costs that are directly attributable to the acquisition/construction of an asset is capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Assets costing less than INR 5,000 are capitalized and charged to the statement of profit and loss in the year of purchase by retaining a residual value of INR 1.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

#### **Machinery spares**

Initial spares purchased along with property, plant and equipment are capitalized and depreciated along with the asset.

Spares purchased subsequent to commission of the asset which meet the requirements set out in Ind AS 16 are treated as property, plant & equipment. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

#### **Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labor, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

#### **1.4 Depreciation:**

As prescribed under part C of schedule II of Companies Act, 2013, from the Financial Year 2014-15, Depreciation is systematically allocated over the useful life of an asset. The depreciation is provided on the Straight Line Method from the beginning of the month in which the asset is ready for use. Depreciation on additions to assets or on sale / disposal of assets is calculated on pro rata basis from the month of such addition or up to the month of such sale / disposal as the case may be.

Asset Category	Estimated useful life
Buildings	30 years
Plant and Machinery	25 years
Computers	6 years
Lab equipment	10 years
Office equipment	5 years
Furniture and fittings	10 years
Air conditioners and water coolers	10 years

#### **1.5 Revenue Recognition:**

Revenue from sale of manufactured goods, including scrap, is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is inclusive of excise duty sales tax, and net of, trade and quantity discounts on accrual basis. Interest on deployment of surplus funds is recognized using the time proportionate method based on underlying interest rates.

#### **1.6 Inventories:**

Inventories are carried at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item by item basis.

Cost comprises of purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The method of determination of cost is as follows:

- Raw materials, valued at cost net of CENVAT.
- Finished goods at lower of cost or net realizable value and inclusive of excise duty (till 30<sup>th</sup> June 2017). With the Advent of GST which has replaced Excise Duty along with other indirect Taxes, Closing Stock of Finished Goods doesn't include excise duty or GST (Since the same is on Sale of Goods).
- Goods in Transit valued at cost excluding excise duty and taxes.
- Stock of scrap at estimated realizable value.
- Stores and spares – landed cost on a first in first out method

The provision for inventory obsolescence is assessed annually and is provided as and when considered necessary.

### **1.7 Foreign Exchange Transactions:**

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year, except that exchange differences related to acquisition of fixed assets from a country outside India are adjusted in the carrying amount of the related fixed assets.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss except those related to acquisition of fixed assets from a country outside India which are adjusted in the carrying amount of the related fixed assets.

### **1.8 Provisions and contingent liabilities:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

### **1.9 Tax on Income:**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year) provided in the books of accounts.

### **1.10 Excise Duty/Custom Duty/GST:**

Excise Duty in respect of goods manufactured by the company is being accounted for at the time of removal of goods from the factory for sale. Custom duty is accounted in the books as and when paid/incurred. Goods and Services Tax (GST) is payable on Sale of Goods/provision of Services and hence is accounted in the books at the time of removal of goods from the factory for sale.

### **1.11 Earnings Per Share:**

The basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The company did not have any potentially dilutive equity shares outstanding during the year.

### **1.12 Retirement benefits to employees:**

#### **I. Short Term employee benefits:**

Short term employee benefits falling due within are recognized as an expense as per the Company's Scheme based on expected obligations. The benefits like salaries, wages etc and the expected cost of bonus, ex-gratia are recognized in the period in which the employees renders the related service.

#### **II. Retirement benefits:**

Retirement benefits comprise of provident fund, superannuation and gratuity which are recognized as follows:

##### **a. Provident fund:**

This is a defined contribution plan. Contributions in respect of staff and workers are remitted to provident fund authorities in accordance with the relevant statute and are charged to statement of profit and loss as and when due. The Company has no further obligations for future provident fund benefits in respect of these employees other than its annual contributions.

##### **b. Superannuation:**

This is a defined contribution plan. The Company makes contribution as per the scheme to superannuation Fund administered by Life Insurance Corporation of India. The Company has no further obligation of future superannuation benefits other than its annual contributions and recognizes such contributions as expense as and when due.

##### **c. Gratuity:**

This is a defined benefit plan. Provision for gratuity is made based on actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognized immediately in the statement of profit and loss as income or expense.

### 1.13 Research & Development:

Research & Development expenditure of revenue nature is charged to Statement of Profit & Loss, while Capital Expenditure is added to the cost of fixed assets in the year in which they are incurred.

### 1.14 INTANGIBLE ASSETS:

#### Impairment of Assets:

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### 1.15 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.

#### Classification of financial asset

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

#### Financial Liabilities and Equity Instruments

##### 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.

##### 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.

##### 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.

##### 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.

#### 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.

#### **1.16 LEASES**

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

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

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

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

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

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

## 2. Notes on accounts

### Note 2.1 - Property, Plant & Equipment

Rs. in lakhs

Tangible assets - Owned (unless otherwise specified)	Deemed Cost			Accumulated Depreciation			Net Block	
	As at 1 April, 2020	Additions	Disposals (Refer Note (i) below)	As at 31 March, 2021	As at 1 April, 2020	Depreciation expense for the year	As at 31 March, 2021	As at 31 March, 2020"
Note 2.1.1.(a) Property, Plant & Equipment								
Land	32.97	-	-	32.97	-	-	-	32.97
Buildings	109.98	7.14	-	117.12	28.48	7.21	35.69	81.50
Plant and Machinery	356.92	103.45	2.64	457.73	213.23	45.34	255.93	143.68
Furniture and Fixtures	1.48	-	-	1.48	0.90	0.23	1.13	0.58
Vehicles	18.69	0.49	-	19.18	14.38	3.80	18.18	4.31
Total	520.04	111.08	2.64	628.48	256.99	56.58	310.93	263.04

#### Note 2.1.1 (b) - Intangible assets

	Deemed Cost		Disposals	As at 31 March, 2021	Accumulated Depreciation		Net Block	
	As at 1 April, 2020	Additions			As at 1 April, 2020	Amortisation expense for the year	Eliminated on disposal of assets	As at 31 March, 2021
Software	-	-	-	-	-	-	-	-

#### Note 2.1.1 (c) - Capital Work in Progress

Particulars	Balance as at 31-03-2021	Balance as at 31-03-2020
Capital work in progress	-	-

#### Note 2.1.2. (a)

Tangible assets - Owned (unless otherwise specified)	Deemed Cost			Accumulated Depreciation			Net Block		
	As at 1 April, 2019	Additions	Disposals	As at 31 March, 2020	As at 1 April, 2019	Depreciation expense for the year	Eliminated on disposal of assets	As at 31 March, 2020	As at 31 March, 2019
(a) Property, Plant & Equipment									
Land	32.97	-	-	32.97	-	-	-	32.97	32.97
Buildings	109.58	0.40	-	109.98	21.31	7.17	-	81.50	88.26
Plant and Equipment	336.55	20.37	-	356.92	165.87	47.36	-	213.23	170.68
Furniture and Fixtures	1.48	-	-	1.48	0.66	0.24	-	0.90	0.83
Vehicles	18.69	-	-	18.69	10.85	3.53	-	14.38	7.84
Total	499.27	20.77	-	520.04	198.69	58.30	-	256.99	300.58

#### Note 2.1.2. (b) - Intangible Assets

	Deemed Cost		Disposals	As at 31 March, 2020	As at 1 April, 2019	Accumulated Depreciation		Net Block	
	As at 1 April, 2019	Additions				Amortisation expense for the year	Eliminated on disposal of assets	As at 31 March, 2020	As at 31 March, 2019
Software	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-

#### Notes

- (ii) Useful life of software is four years
- (iii) Plant and Equipment includes Electrical Installations and Data Processing Equipments
- (iv) Furniture and Fixtures includes Office equipment
- (v) Capital Work in Progress for the current year includes Rs (31 March 2020 - Rs. Nil) towards the interest capitalisation of borrowing cost
- (vi) Refer Note 2 of Note 14 (Non-Current Borrowings) stating the details of assets pledged as security

**Notes forming part of the Financial Statements**
**Note 2.2 Other financial assets (Unsecured, Considered good unless stated otherwise)**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Non-current</b>		
(b) Insurance claims Receivable		
(c) Derivatives designated and effective as hedging instruments carried at fair value:		
- Foreign currency swap contracts designated in hedge accounting relationship		
(d) Deposits in Electricity company	19.59	23.59
(e) Prepaid Interest on Electricity Deposit	-	-
<b>Total Non-current</b>	<b>19.59</b>	<b>23.59</b>
<b>Current</b>		
(a) Claims Receivable		-
(b) Asset held for disposal		
(c) Deferred sales proceeds		
(d) Interest accrued on deposits		
(e) Derivatives designated and effective as hedging instruments carried at fair value:		
- Foreign currency swap contracts designated in hedge accounting relationship		
(f) Security Deposit		
(g) Tool development cost recoverable		
(h) Deposits in Electricity company		
(i) Prepaid Interest on Electricity Deposit		
<b>Total Current</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>19.59</b>	<b>23.59</b>

**Note 2.3 Deferred Tax Assets (Net) :**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
At the Start of the year	35.90	34.01
(Charge)/Credit to Statement of Profit and Loss	(23.82)	1.89
At the end of the year	<b>12.08</b>	<b>35.90</b>

**Note 2.4 Other Non-Current assets (Unsecured, Considered good unless stated otherwise)**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Non-current</b>		
(a) Trade Receivables	-	-
	-	-
(b) Balances with government authorities - paid under protest	12.24	12.30
(c) Other Deposits	72.81	74.68
(d) Non current tax assets (Net)	-	-
<b>Total Non-current</b>	<b>85.05</b>	<b>86.98</b>

**Note 2.5 Inventories**

(valued at lower of cost and net realizable value)

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Raw materials & Consumables	186.31	54.21
Raw materials in transit	-	-
(b) Work-in-progress	-	-
(c) Finished goods	1,178.96	1,306.81
(d) Stores and spares	51.81	48.82
<b>Total</b>	<b>1,417.08</b>	<b>1,409.84</b>

**Note 2.5.1** The cost of inventories recognised as an expense during the year was Rs. /- (For the year ended 31 March 2021: Rs. /-)**Note 2.5.2** During the year 2020-21 and 2019-20 there were no expense recognised against the write down of inventory from cost to net realisable value.**Note 2.5.3** Inventories as at 31 March 2021 (31 March 2020 and 31 March 2019) are expected to be recovered within twelve months.**Note 2.5.4** The mode of valuation of inventories has been stated in Note 1.6**Note 2.6 Trade receivables (Unsecured)**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
		<b>Rs.</b>
(a) Unsecured, considered good	384.14	305.43
(b) Doubtful	-	-
"(c) Allowance for doubtful debts (expected credit loss allowance"	-	-
<b>Total</b>	<b>384.14</b>	<b>305.43</b>

The average credit period on sales of goods is 30 days. No interest is charged on trade receivables.

**Note 2.7 Cash and cash equivalents**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Cash on hand	1.89	1.39
(b) Balances with banks		
(i) In current accounts	-	-
(ii) In Margin money deposit accounts		
- original maturity of 3 months or less	-	-
<b>Total</b>	<b>1.89</b>	<b>1.39</b>

**Note 2.8 Bank balances other than Note 10 (a) above**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deposits with maturity exceeding 3 months	12.49	20.04
<b>Total</b>	<b>12.49</b>	<b>20.04</b>

**Note 2.9 Loans (Unsecured, Considered good unless stated otherwise)**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Loans and advances to employees		
Considered good	0.07	(0.21)
Considered doubtful	-	-
Less: Provision for doubtful short-term advances		-
<b>Total</b>	<b>0.07</b>	<b>(0.21)</b>

**Note 2.10 Other Financial Assets**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Plant and Machinery held for sale	-	-
	-	-

**Note 2.11 Other Current Assets**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Advances to vendors for materials/services	-	-
(b) Prepaid expenses	9.25	7.96
(c) Balances with government authorities	0.02	0.02
(d) Travelling Advances	0.03	0.03
(e) Interest Receivable	1.28	-
(f) Leave Encashment	-	-
<b>Total Current</b>	<b>10.58</b>	<b>8.01</b>

**Note 2.12 Equity Share capital**

(Rs. in lakhs)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
(a) Authorised Equity shares of Rs. 10 each with voting rights	70,00,000	700.00	70,00,000	700.00
(b) Issued, Subscribed and Fully paid up Equity shares of Rs. 10 each with voting rights	60,96,000	609.60	60,96,000	609.60

**Notes:**

- The Company has only one class of shares referred to as equity shares having a par value of Rs.10 each. Each holder of equity share is entitled to one vote per share.
- In the event of repayment of Capital of the Company, the distribution will be in the proportion to the number of equity shares held by the shareholders.
- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2021			
- Number of shares	60,96,000	-	60,96,000
- Amount (Rs. in Lakhs)	609.60	-	609.60
Year ended 31 March, 2020			
- Number of shares	60,96,000	-	60,96,000
- Amount (Rs. in Lakhs)	609.60	-	609.60

- Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Balaji Trading Enterprises Private Limited	6,75,395	11.08%	6,75,395	11.08%

\*Also refer Note 1

**Note 2.13 Other Equity**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March 2020
<b>Retained Earnings</b>		
As per Last Balance Sheet	(303.19)	(310.21)
Add: Profits for the Year	-134.78	7.02
Closing Balance	(437.97)	(303.19)
<b>Other Comprehensive Income</b>		
As per Last Balance Sheet	(14.29)	(14.29)
Add: Movement in OCI (Net) during the year	0	0
Closing Balance	(14.29)	(14.29)
Balance as of March 31st	<b>(452.26)</b>	<b>(317.48)</b>

**Note 2.14 Non-current borrowings**

Rs. in lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs.	Rs.
<b>Unsecured - Measured at amortised cost</b>		
(a) Unsecured Loans from Others - Refer note 2.14 (i)	614.18	633.90
<b>Secured - Measured at amortised cost</b>		
(a) Term loans		
From bank - Refer note 2.14 (i)	139.35	3.21
(b) Long Term Maturities of Finance Lease Obligations		
Others	1.26	3.11
Total	<b>754.79</b>	<b>640.22</b>

**2.14 (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long-term borrowings:**

(Rs. in lakhs)

Particulars	Terms of repayment and security	As at 31 March, 2021		As at 31 March, 2020	
		Secured	Unsecured	Secured	Unsecured
<b>Term loans from banks:</b>					
Karnataka Bank Limited - Secured	Note 14(iii)	139.35	-	3.21	-
<b>Total - Term loans from banks</b>		<b>139.35</b>	<b>-</b>	<b>3.21</b>	<b>-</b>
Long Term Maturities of Finance Lease Obligations	Note 14(iii)	1.26	-	3.11	-

<b>Others:</b>					
from Companies		-	416.89	-	633.90
from Directors		-	197.29	-	-
Sales Tax Loan-IFST					
<b>Total long term borrowings</b>		<b>140.61</b>	<b>614.18</b>	<b>6.32</b>	<b>633.90</b>

**2.14. (ii)**

(a) Working capital facilities from The Karnataka Bank Limited are secured by first charge on the current assets consisting of stock of raw materials, finished goods, work-in-process, debtors and personal guarantees of directors G.P.N. Gupta, Sri. G. S. Sridhar and Sri. G.V. Gopinath.

(b) Additional working capital (Term Loan) facilities from The Karnataka Bank Limited sanctioned in the month of July 2020 under GECL Scheme, repayable given a period of 36 months secured by second charge on the current assets consisting of stock of raw materials, finished goods, work-in-process, debtors and personal guarantees of directors Sri. G.P.N. Gupta, Sri. G. S. Sridhar and Sri G.V. Gopinath. The guarantee is also covered by NCGTC.

**2.14 (iii)**

(Rs. in lakhs)

Bank	As at 31 March, 2021	As at 31 March, 2020	Security	Interest rate	Terms of repayment
Karnataka Bank Limited - Secured	139.35	3.21	Secured by Mortgage of Land, Plant & Machinery		Payable in 36 Half Yearly Installments from 2021-22 to 2024-2025
Long Term Maturities of Finance Lease Obligations	1.26	3.11	Not Applicable		Payable by end of March every year
<b>Total</b>	<b>140.61</b>	<b>6.32</b>			

2.14 (iv) For the current maturities of long-term borrowings, refer item (a) in Note 2.16 Other current financial liabilities.

**Note 2.15 Long-term provisions**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Provision for Employee benefits	70.35	72.97
(b) Provision for Income tax earlier years	32.14	32.14
(c) Provision for pending sales tax forms and other disputes	-	-
<b>Total</b>	<b>102.49</b>	<b>105.11</b>

**Note 2.16 Current borrowings**

Rs. in lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Secured - at amortised cost		
Banks - Cash Credit	820.86	733.61
Public Deposits		-
<b>Total</b>	<b>820.86</b>	<b>733.61</b>

**Note 2.17 Trade payables**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Payable to Micro, Small & Medium Enterprises (Refer Note 5 )	34.67	-
(b) Other Than Acceptances	-	-
(i) Employee related liabilities	-	-
ii) Dues to related parties	-	-
iii) Creditors for Goods and Services	282.06	272.47
<b>Total</b>	<b>316.73</b>	<b>272.47</b>

**Note 2.17.1 Dues to Micro & Small Enterprises**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
(i) Principal amount remaining unpaid to supplier as at the end of the accounting year	34.67	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**Note 2.18 Other financial liabilities**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Non-current</b>		
(a) Trade / security deposits received	-	-
<b>Total Non-Current</b>	-	-
<b>Current</b>		
(a) Current maturities of long-term debt (Secured)	50.04	52.92
(b) Current maturities of finance lease obligations	-	-
(c) Current maturities of Sales Tax loan	-	-
	50.04	52.92
<b>Total Current</b>	<b>50.04</b>	<b>52.92</b>

**Note 2.19 Other Current liabilities**

(Rs. in lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Non-current</b>		
(a) Advance received from customers	-	-
(b) Deferred Rent	-	-
<b>Current</b>		
(a) Other payables		
(i) Statutory remittances	30.84	19.97
(ii) Advances from customers	18.71	21.71
(iii) Bonus payable	4.50	4.50
(iv) Rent Payable	-	-
(v) Others	1.68	(1.65)
	<b>55.73</b>	<b>44.52</b>
<b>Total Current</b>	<b>55.73</b>	<b>44.52</b>

**Note 2.20 Short-term provisions**

Rs. in lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Provision for Excise duty on Finished Goods	-	-
(b) Provision for Employee benefits	2.52	13.03
<b>Total</b>	<b>2.52</b>	<b>13.03</b>

**Note 2.21 Revenue from operations**

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Sale of products (Refer Note (i) below)	3,038.02	2,730.84
(b) Sales from Services (Refer Note (ii) below)	-	-
(c) Other operating revenues (Refer Note (iii) below)	-	-
<b>Total Revenue from Operations</b>	<b>3,038.02</b>	<b>2,730.84</b>

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i) Sale of products comprises :		
Manufactured goods	3,038.02	3,216.83
		-
		-
<b>Total - Sale of products</b>	<b>3,038.02</b>	<b>3,216.83</b>
(ii) Sale of services comprises :		
Labour Charges	-	-
		-
<b>Total - Sale of services</b>	<b>-</b>	<b>-</b>
(iii) Other operating revenues comprise:		
Sale of scrap	-	-
		-
<b>Total - Other operating revenues</b>	<b>-</b>	<b>-</b>

**Note 2.22 Other income**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Interest income on deposits	3.13	11.79
(b) Interest on loans and advances	-	-
(c) Professional Consultancy Charges Received	-	-
(d) Other Non-Operating Income		
- Net Gain on foreign currency transactions and translation	-	-
- Profit on Sale of Assets	0.27	-
- Other Income	1.12	7.47
<b>Total</b>	<b>4.52</b>	<b>19.26</b>

**Note 2.23. Cost of materials consumed**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Opening stock	54.21	71.79
Add: Purchases		
Raw materials including stores & spares	1,804.04	1,585.60
Components		-
Total Purchases	1,804.04	1,585.60
Less: Closing stock	186.31	54.21
<b>Cost of materials consumed</b>	<b>1,671.94</b>	<b>1,603.18</b>

**Note 2.24 Changes in inventories of finished goods and work-in-process**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Inventories at the end of the year:</b>		
Finished goods	1,178.96	1,306.81
Work-in-process		-
	<b>1,178.96</b>	<b>1,306.81</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,306.81	1,127.26
Work-in-process	-	-
	<b>1,306.81</b>	<b>1,127.26</b>
<b>Net (increase) / decrease</b>	<b>127.85</b>	<b>(179.55)</b>

**Note 2.25 Employee benefit expense**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Salaries and wages including secondment cost and bonus	204.54	209.54
(b) Contributions to provident and other funds (Refer Note 8)	12.89	23.38
(c) Staff welfare expenses	28.54	32.03
<b>Total Employee Benefit Expenses</b>	<b>245.97</b>	<b>264.95</b>

**Note 2.26 Finance costs**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Interest expense on borrowings	184.18	176.07
Less Amounts included in the cost of qualifying assets	-	-
Interest expense net of cost transferred to qualifying assets	184.18	176.07
(b) Interest others	4.25	7.07
<b>Total</b>	<b>188.43</b>	<b>183.14</b>

**Note 2.27 Other expenses**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Consumption of stores and spare parts	48.21	60.44
Consumption of packing materials	-	-
Power and fuel	125.48	119.38
Sub contracting Charges	-	-
Contract labour charges	93.59	102.30
Rent including lease rentals	7.62	13.98
Repairs and maintenance - Buildings	-	0.06
Repairs and maintenance - Machinery	0.39	0.19
Repairs and maintenance - Others (including spares)	1.13	0.75
Factory General Maintenance	3.35	11.90
Stereo Charges	0.13	-
Discounts and Incentives	2.77	0.11
Insurance	7.69	6.76
Rates and taxes	12.01	5.53
Excise duty (Net)	-	-
Communication	1.57	1.59
Travelling and conveyance	1.36	8.51
Printing and stationery	1.35	2.14
Freight and forwarding	30.22	32.46
Business promotion & Selling expenses	2.95	1.87
Legal and professional	3.61	4.36
Payments to auditors (Refer Note (1) below)	2.00	2.32
Bad Debts written off	6.81	4.70
Less: Adjusted against provision	-	-
	6.81	4.70
Provision for Contingencies	-	-
Vehicle Maintenance	3.87	6.16
Directors sitting Fees	3.30	2.78
Bank charges	7.22	4.55

Net loss on foreign currency transactions and translation	-	0.05
Security Expenses	14.96	13.87
Service Charges	10.09	9.16
Training and seminar expenses	-	0.22
Cartage Expense	2.80	1.45
Postage and Telegram	0.29	0.63
Membership and subscriptions	1.02	1.39
Office Maintenance Expenses	0.93	1.53
Loss on Sale of Assets	-	-
Brokerage and commission	-	0.42
<b>Total</b>	<b>396.72</b>	<b>421.56</b>

**Note: 1**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
		Rs.
<b>Auditor's Remuneration and Expenses</b>		
(i) Statutory Audit	1.00	1.00
(ii) Tax Audit	0.25	0.25
(iii) Fees for other services	0.75	1.07
<b>Total</b>	<b>2.00</b>	<b>2.32</b>

**Note 2.27 Basic and diluted earnings per share**

(Rs. in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit / (loss) for the year attributable to owners of the Company	(134.78)	7.02
Weighted average number of equity shares	60,96,000	60,96,000
Earnings per share from continuing operations - Basic / Diluted	(2.21)	0.12

**NOTES ON ACCOUNTS**

3. With respect to the Balances of Debtors & Creditors and advances/deposits received from the customers as per books of account, confirmations of balances are awaited and adjustments if any will be made in the books on receipt of confirmations and reconciliation.
4. The Company has recorded a Net Loss of Rs.134.78 lakhs achieving a turnover of Rs.3,038.02 lakhs for the year ended 31st March 2021 as against Net Profit of Rs. 7.02 lakhs achieving a turnover of Rs. 2,730.84 lakhs in the previous year ended 31st March 2020. The accumulated losses have been increased to Rs.452.26 lakhs as on 31st March 2021 as against Rs. 317.48 as at the year ended 31st March 2020.

With the improvement in the performance at the latter part of the year, increase in receipt of big orders, the capability in productivity, the continuous working capital support by the bankers and the promoters, the Management is confident of generating profits in years to come and meet its financial obligation as they arise consequently resulting in wiping off the erosion of Net worth in the near future. The Company is continuously increasing its clientele and anticipates higher rates of growth which will augur well for better prospects. Based on the above improving factors, the accompanying Financial Statements have been prepared on a going concern basis.

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

The management is regularly in the process of identifying enterprises which have provided goods and services to the company which qualify under the definition of micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Act 2001. Accordingly, based on information available, the amount payable to such enterprises as on 31st March 2021 is Rs.34.67 lakhs. Though, overdues of Rs.5,66,799/- were reported to be payable has been paid off by way of cheques dated 31.03.2021.

6. The computation of profit under section 198 of the Companies Act, 2013 is not considered necessary as the managerial remuneration that is paid is minimum remuneration based on the effective capital of the Company as prescribed under Schedule V of the said Act.

**DETAILS OF MANAGERIAL REMUNERATION:**
**(Rs. in lakhs)**

Particulars	2020-21	2019-20
Salary and Allowances	36.80	39.20
Perquisites	-	-
Retirement Benefits	1.16	18.77
Provision for Leave Salary	1.06	5.40
<b>TOTAL</b>	<b>39.02</b>	<b>63.37</b>

**7. SALES TAX & CENTRAL EXCISE DUTY PENDING DISPUTE:**

S. No	Name of the Statute	Nature of Dues	Amt. (Rs. in lakhs)	Pertaining	Present Status
i.	Sales Tax	Sales Tax Demand	3.53	1995-1996	On Appeal the case was remanded back to the assessing Officer
ii.	Sales Tax	Sales Tax Demand	1.28	1997-1998	- do -

**8. EMPLOYEE BENEFITS:**
**(i) DEFINED CONTRIBUTION PLANS:**
**(Rs. in lakhs)**

	Particulars	2020-21	2019-20
(a)	Contribution to Provident Fund	9.05	10.05
(b)	Contribution to Superannuation Fund	3.45	3.6

**(ii) DEFINED BENEFIT PLANS:****Gratuity: -**

The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC):

	<b>PARTICULARS</b>	<b>(Rs. in lakhs)</b>	
<b>1</b>	<b>Table Showing changes in present value of obligation as on</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	Present value of obligation as at beginning of year	38.60	38.60
	Interest Cost	NA	NA
	Current Service Cost	NA	NA
	Benefits Paid	NA	NA
	Actuarial (gain)/loss on obligations	NA	NA
	Present value of obligation as at end of year	NA	NA
<b>2</b>	<b>Table Showing changes in the fair value of plan assets as on</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	Fair value of plan Assets at beginning of year	2.40	2.40
	Expected return of plan Assets	NA	NA
	Contribution	NA	NA
	Benefits paid	NA	NA
	Actuarial (gain)/loss on plan Assets	NA	NA
	Fair value of plan Assets at the end of year	NA	NA
<b>3</b>	<b>Table Showing fair value of plan Assets as on</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	Fair Value of plan Assets at beginning of year	NA	NA
	Actual return of plan assets	NA	NA
	Contribution	NA	NA
	Benefits paid	NA	NA
	Fair value of plan Assets at the end of year	NA	NA
	Funded Status	NA	NA
	Excess of Actual over estimated return of plan Assets	NA	NA
	(Actual rate of return = Estimated rate of return as ARD falls as on 31st March)		
<b>4</b>	<b>Actual Gain/loss recognized</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	Actuarial (gain)/loss on Obligations	NA	NA
	Actuarial (gain)/loss for the year – plan Assets	NA	NA
	Actuarial (gain)/loss on Obligations	NA	NA
	Actuarial (gain)/loss recognized in the year	NA	NA
<b>5</b>	<b>The amounts to be recognized in Balance Sheet and Statement of Profit &amp; Loss</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	Present Value of obligations as at the end of year	NA	NA
	Fair value of plan assets as at the end of year	NA	NA
	Funded States	NA	NA
	Net asset/(liability) recognized in the balance sheet	NA	NA
<b>6</b>	<b>Expenses Recognized in Statement of Profit &amp; Loss</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	Current service cost	NA	NA
	Interest cost	NA	NA
	Expected return on plan assets	NA	NA
	<b>Expenses Recognised in the Income Statement</b>	<b>NA</b>	<b>NA</b>
	<b>Other Comprehensive Income</b>		
	Net Actuarial (gain)/loss recognized in the year	NA	NA
	<b>Components of defined benefit costs recognised in other comprehensive income</b>	NA	NA
	<b>Assumptions</b>		

Discount rate	NA	NA
Expected rate on planned assets	NA	NA
Expected rate of salary increases	NA	NA
Expected rate of attrition	NA	NA
Mortality	NA	NA

NA – Not Available

**Note: The disclosures of Gratuity liability as required under Ind AS are not shown for the financial year 2020-21, since the actuarial statement has not been received from LIC despite of rigorous follow-up since most of offices were either closed or working with minimal staff due to enforcement of lockdown by Central/State Government to contain the spread of Covid-19 during the second wave.**

9. During the financial year, there are no default in repayment of Loans and Interest in case of Term Loans, Lease obligations, Demand loans, Public Deposits and other loans (including loans and advances from related party)

**10. SEGMENTAL REPORTING:**

The Company currently operates in one business segment in manufacturing of PP bags and one geographical segment in India. In line with Accounting Standard 17, as the relevant information is available from the balance sheet and the profit and loss account itself, and therefore keeping in view of the objective of segment reporting, the Company has not disclosed segment information.

**11. INCOME TAXES:**

**(i) Reconciliation between average effective tax rate and applicable tax rate**

The income tax expenses for the year can be reconciled to the accounting profit as follows:

(in Rs. Lakhs)

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit before tax	(110.96)	5.13
Applicable Tax Rate	26.00%	22.88%
<b>Computed Tax Expense</b>	<b>0.00</b>	<b>1.17</b>
<b>Tax effect of :</b>		
Expenses disallowed	0	0
Set off of Brought Forward Business Loss/ Unabsorbed Depreciation	0	(1.17)
<b>Current Tax Provision (A)</b>	<b>0.00</b>	<b>0.00</b>
Decrease in Deferred Tax Liability on account of Tangible and Intangible Assets	12.56	(4.09)
Decrease in Deferred Tax Asset on account of Financial Assets and Other Items	36.83	2.20
<b>Deferred tax Provision (B)</b>	<b>23.82</b>	<b>(1.89)</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>23.82</b>	<b>(1.89)</b>
<b>Effective Tax Rate</b>	<b>(21.46%)</b>	<b>(36.84)%</b>

**(ii) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet.**

(In Rs. Lakhs)

Particulars	For the Year ended 31 March 2021			
	Opening Balance	Recognized in profit and Loss	Recognized in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	(31.02)	12.56	0	(18.46)
<u>Tax effect of items constituting deferred tax assets</u>				

Employee Benefits	17.72	1.64	0	19.36
Provision for Bad Debts	4.12	(2.04)	0	2.07
Brought forward business loss and unabsorbed depreciation	45.08	(35.98)	0	9.10
Total	66.92	(36.38)	0	30.53
Net Tax Asset / (Liabilities)	35.90	(23.82)	0	12.09

Particulars	For the Year ended 31 March 2020			
	Opening Balance	Recognized in profit and Loss	Recognized in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, Plant and Equipment	(35.11)	4.09	0	(31.02)
<u>Tax effect of items constituting deferred tax assets</u>				
Employee Benefits	15.85	1.87	0	17.72
Provision for Bad debts	2.04	2.08	0	4.12
Brought forward business loss and unabsorbed depreciation	51.23	(6.15)	0	45.08
Total	69.12	(2.20)	0	66.92
Net Tax Asset / (Liabilities)	34.01	1.89	0	35.90

**Note 1:**

The unabsorbed business loss/ depreciation for the year pertaining to earlier years have given rise to net deferred tax asset of Rs.9.10 Lakhs (As at 31 March 2020 Rs.45.08 Lakhs). The effect of the adjustments carried out by the Income Tax Authorities based on their Assessment Orders, which are under dispute, has not been considered in arriving at the carried forward loss for deterring deferred tax asset.

**Note 2:**

The effect of the adjustments carried out by the Income Tax Authorities based on their Assessment Orders, which are under dispute, has not been considered in arriving at the carried forward loss for deterring deferred tax asset.

**12. RELATED PARTY TRANSACTIONS:**

Related parties with whom transactions have taken place during the year:

(Rs. in lakhs)

S. No.	Particulars	Nature of Relationship	Nature of Transaction	Amt.	Closing Balance as on 31.03.21	Closing Balance as on 31.03.20
1	G. Sudhakar	Relative of Key management personnel	Rent paid	0.43	NA	NA
2	G.S. Sridhar	Key Management personnel	Salary & Allowances	18.40		
			Unsecured loan Repaid	1.83	33.61	32.00
			Interest on Unsecured loan	3.73		
3	G.V. Gopinath	Key Management personnel	Salary & Allowances	18.40	163.67	163.51
			Unsecured loan Recd.	118.31		
			Unsecured Loan repaid	130.98		
			Interest on Unsecured loan	13.90		

4	Jumbo Bag Limited	Associated Company	Job work charges earned	16.78	4.56	6.80
			Purchase	112.32		
			Sales	9.51		
5	G.F. Impex Pvt. Ltd.,	Associated Company	Unsecured Loan Repaid. (USL)	8.62	54.38	60.05
			Sales	4.72		
			Purchase	12.99		
			Interest on USL	7.69		
6	Balaji Trading Enterprises Pvt. Ltd.,	Associated Company	Unsecured Loan paid	36.13	357.95	350.70
			Interest on USL	47.00		
7	Adarsh Line Accessories Pvt. Ltd	Common Director	Professional Service recd	0	-	-
			Sales	0.45		
			Unsecured loan Recd.	40.00		
			Unsecured loan paid	40.00		
8	Shobha Gupta	Director	Unsecured loan Recd.	77.93	-	25.00
			Unsecured loan repaid	50.00		
			Interest on USL	3.16		

### 13. CONTINGENT LIABILITIES:

(Rs. in lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
a) Disputed Amount of Sales tax	4.81	4.81
b) Disputed Amount of Central Excise	0	0

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. During the year 2014-15, the Company has received an order favoring them as no cost for the case filed for the year 1994-95. The Appellate Tribunal has issued certain claims/ show cause notices disputed have neither been considered as contingent liability nor acknowledged as claim, based on the opinion obtained, since the possibility of loss is remote.

14. Secured Loans availed from The Karnataka Bank Limited are secured by first charge on specific assets acquired out of the loan and personal guarantees of directors Sri. G.P.N. Gupta, Sri. G. S. Sridhar and Sri. G.V. Gopinath.

15. (a) Working capital facilities from The Karnataka Bank Limited are secured by first charge on the current assets consisting of stock of raw materials, finished goods, work-in-process, debtors and personal guarantees of directors G.P.N. Gupta, Sri. G. S. Sridhar and Sri. G.V. Gopinath.

(b) Additional Term loan facilities from The Karnataka Bank Limited sanctioned in the month of July 2020 under GECL Scheme, repayable in 36 months after initial holiday period of 12 months, secured by Hypothecation of New Plant & Machineries and secured by charge on current assets of stock of raw material, finished goods, debtors and personal guarantees of directors Sri. G.P.N. Gupta, Sri. G. S. Sridhar and Sri. G.V. Gopinath. The guarantee for this Loan is also covered by National Credit Guarantee Trustee Company Limited (NCGTC). The facility obtained under this Scheme shall rank second charge with the existing facilities availed from the Karnataka Bank.

16. Advances & Deposits includes an amount of Rs.12,69,309/- being Admitted and Disputed Sales Tax for various years paid and Income Tax for the Assessment Year 1996-97 of Rs.2,27,668/- paid, but kept as Deposit in the books since the company has gone on appeal in respect of these matters. Necessary adjustments in the books of accounts will be made in the year in which the outcome of the appeal is known.

17. **EXPENDITURE IN FOREIGN EXCHANGE:**

(Rs. in lakhs)

	As at 31.03.2021	As at 31.03.2020
Imported Materials Purchase (CIF)	21.27	Nil
Foreign Travel Expenses	Nil	Nil

18. **FOREIGN EXCHANGE EARNINGS:**

(Rs. in lakhs)

	As at 31.03.2021	As at 31.03.2020
Export Sales (FOB)	Nil	16.63

19. **REMUNERATION TO AUDITORS:**

(Rs. in lakhs)

	As at 31.03.2021	As at 31.03.2020
i) Statutory Audit Fee	1.00	1.00
ii) Tax Audit Fee	0.50	0.50
iii) Service Tax/ GST	0.23	0.27
iv) Certification Fees & Other services	1.10	1.13

20. **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.

Particulars	As at 31 March 2021	As at 31 March 2020
Debt (Refer Note 2.14, 2.16& 2.18)	1,625.69	1,426.75
Cash and Bank Balance	(14.38)	(21.43)
<b>Total Debt</b>	<b>1,611.31</b>	<b>1,405.32</b>
Total Equity	157.34	292.12
<b>Net Debt to equity ratio</b>	<b>10.24</b>	<b>4.81</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Measured at amortised cost</b>		
- Trade receivables	384.14	305.43
- Cash and Bank balance	14.38	21.43
- Loans	-	(0.21)
- Other financial assets	19.59	23.59

(b) Financial Liabilities :

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Measured at amortised cost</b>		
- Borrowings	1625.69	1426.75
- Trade payables	316.73	272.47
- 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.

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

<b>i. Non Derivative financial assets</b>				<b>Rs. in Lakhs</b>		
Particulars	As at March 31, 2021			As at March 31, 2020		
	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	-	-	-	-	-	-
Trade receivables	384.14	-	-	305.43	-	-
Cash and cash equivalents	1.89	-	-	1.39	-	-
Bank balance other cash and cash equivalents stated above	12.49	-	-	20.04	-	-
Loans	-	-	-	-	-	-
Other financial assets	-	19.59	-	-	23.59	-

  

<b>ii. Non Derivative financial liabilities</b>				<b>Rs. in Lakhs</b>		
Particulars	As at March 31, 2021			As at March 31, 2020		
	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 Loans	-	754.79	-	-	640.22	-
Short Term Loans	820.86	-	-	733.61	-	-
Trade Payables	316.73	-	-	272.47	-	-
Other financial liabilities	50.04	-	-	52.92	-	-

**22. PREVIOUS YEAR FIGURES:**

The company has reclassified previous year figures to conform to this year's classification. It significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

**23. CAPACITY AND PRODUCTION DURING THE YEAR 2020-21:**

**a. Product: Polymer Product:**

Licensed Capacity	: Not applicable
Installed Capacity	: 3800 tons
Production	: 2450.10 tons

**b. Raw Material and Intermediates Consumed:**

(Rs. in lakhs)

Particulars	UOM	2020-21		2019-20	
		Qty.	Value	Qty.	Value
A. PP Granules	Kgs.	16,82,984	1691.26	1,238,502	1603.18
B. Others			48.21		9.32

**c. Consumption of Imported & Indigenous Raw – Materials, Stores and spare parts and the percentage of each to the consumption:**

(Rs. in lakhs)

Particulars	2020-21		2019-20	
	%	Value	%	Value
i. Raw Material				
a. Imported	-	-	-	-
b. Indigenous	100	1691.26	100	1603.18
ii. Stores, Spares & Consumption				
a. Imported	-	-	-	-
b. Indigenous	100	48.21	100	9.32

**d. Stock Summary for the year 2020-21:**

Name of the Commodity	Unit	Opening Balance	Receipts	Issues	Closing Stock	
					2020-21	2019-20
Paper	Kgs.	60,124	6,13,560	5,75,687	97,997	60,124
Granules	Kgs.	25,618	16,82,984	15,93,063	1,15,539	25,618
HDPE / PP Bags	Nos.	4,17,372	70,52,861	72,08,890	2,61,343	4,17,372
HDPE / PP Kraft Bags	Nos.	60,169	15,69,664	15,49,701	80,132	60,169

**e. Closing Stock Value With Quantity As On 31.03.2021:**

Name of the Commodity	Unit	Quantity		Value	
		2020-21	2019-20	2020-21	2019-20
Paper	Kgs	97,997	60,124	17.07	16.34
Granules	Kgs	1,15,539	25,618	129.38	21.20
HDPE/PP Bags	Nos	2,61,343	4,17,372	975.27	1160.83
HDPE/PPKraft Bags	Nos	80,132	60,169	26.80	20.10
HDPE/PP Fabric & HDPE/PP Kraft Fabric				127.44	100.32
Accessories for Bags				39.85	16.65
Miscellaneous Items Including Consumables				101.28	74.39
Provision for Excise Duty					
Total Value of Closing Stock				<b>1,417.08</b>	<b>1,409.84</b>

**f. Sales Summary for the year 2020-21:**

(Rs. in lakhs)

Name of the Commodity	2020-21	2019-20
Polypropylene Bags	3034.99	2730.84
Others	3.03	

**Signatories to Notes 1 to 23**
**As per our report of even date**

For and on behalf of the Board

**For J.V. RAMANUJAM & CO**

Chartered Accountants

FRN: 002947S

**G V Gopinath**  
Managing Director

**G S Sridhar**  
Joint Managing  
Director and CFO

**Sri Narayana Jakhotia**

Partner

Membership No.233192

Place: Chennai

Date: 28th May 2021

**Anup Hegde P**  
Company Secretary



**STANPACKS (INDIA) LTD**

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