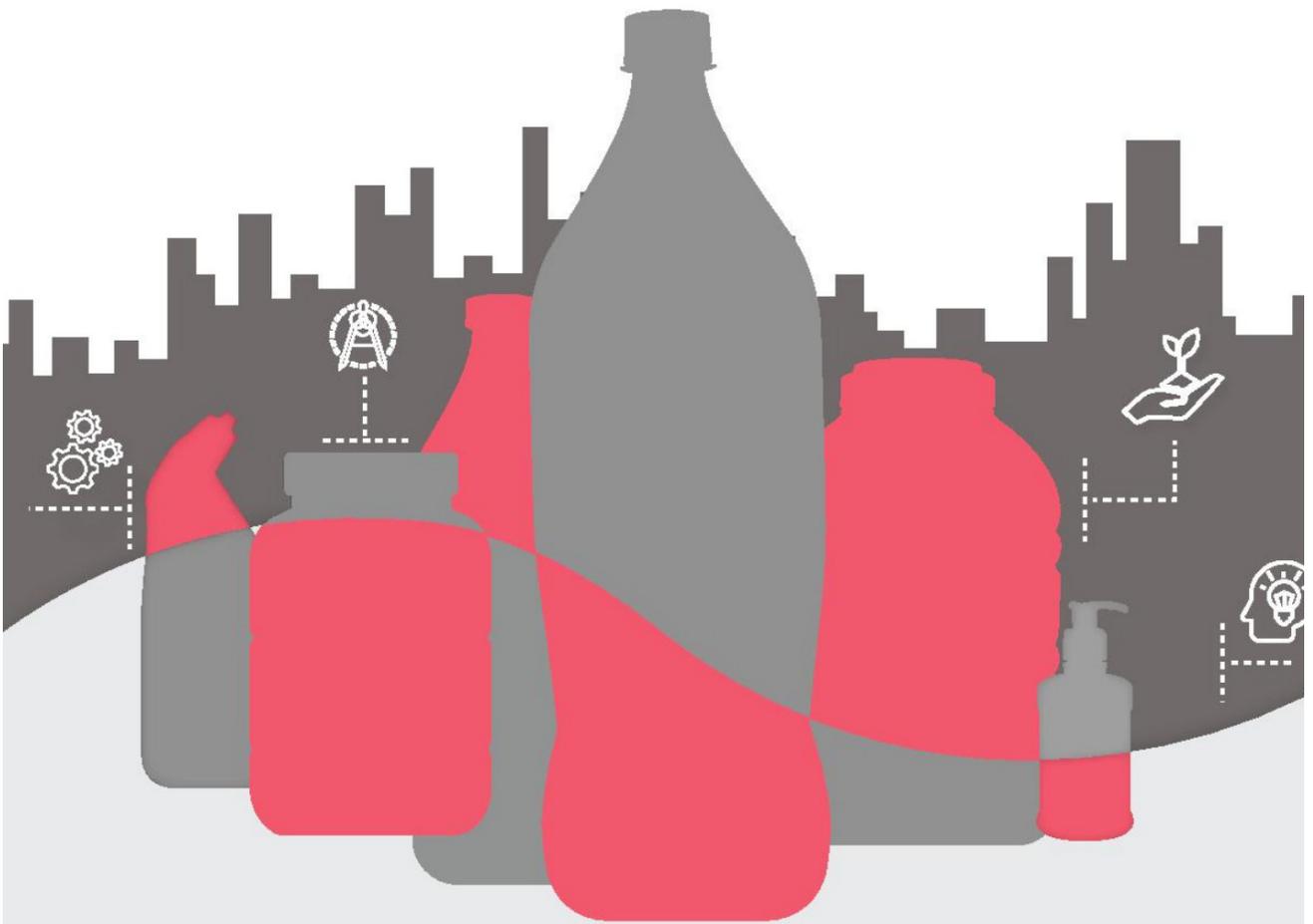




# ANNUAL REPORT

FY 2020 - 2021



**Mask up | Stay Safe**

**[www.manjushreeindia.com](http://www.manjushreeindia.com)**



**BOARD OF DIRECTORS**

Ashok Sudan	Chairman & Independent Director
Sanjay Kapote	Managing Director and CEO
Shweta Jalan	Director
Pankaj Patwari	Director
Manu Anand	Director
Jayesh Merchant	Independent Director
Biren Shah	CFO
Rasmi Ranjan Naik	Company Secretary

**AUDITORS**
**M/s Deloitte Haskins & Sells**

Chartered Accountants  
 19<sup>th</sup> Floor, 46, Prestige Trade Towers, Palace Road,  
 High Grounds, Bengaluru-560001

**SECRETARIAL AUDITOR**

Mr. Vijaykrishna K T  
 496/4, 2nd Floor, 10th Cross Sadashivanagar, Bangalore-560080

**Cost Auditor**

G S & Associates, Cost Accountants, # 207, Bindu Galaxy, No. 2,  
 1<sup>st</sup> Main, Chord Road, Industrial Town, Rajajinagar, Bengaluru-560 044

**BANKERS**

State Bank of India, IF Branch, Bangalore  
 ICICI Bank, Bangalore Branch  
 KOTAK Mahindra Bank, Bangalore Branch  
 HDFC Bank, Bangalore Branch

**REGISTRAR & SHARE TRANSFER AGENTS**

Integrated Registry Management Services Private Limited  
 (formerly known as Integrated Enterprises (India) Limited)  
 #30, Ramana Residency, 4th Cross Sampige Road,  
 Malleswaram, Bangalore-560 003  
 Tel: (080) 2346 0815/818 fax: (080) 2346 0819  
 Email: irg@integratedindia.in

**REGISTERED OFFICE**

"MBH Tech Park", 2nd Floor, Survey No. 46(P) and 47(P),  
 Begur Hobli, Electronic City Phase-II, Bangalore 560100, Karnataka

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**WORKS AT**
**Plants of Manjushree Technopack Limited**

# 60 E&F, Bommasandra Ind. Area, Hosur Road,  
 Bangalore - 560 099.

# 71-72, Bidadi Ind. Area, Phase 2, Sector 2, Bidadi,  
 Bangalore - 562109.

Vill- Nizsindurighopa, Chowkigate, Changsari, Pin-781101,  
 Kamrup (Rural) Assam

Plot No. 70 & 71B, 71A & 76, EPIP Phase-I, Jharmajri,  
 Dist. Solan, Himachal Pradesh-174 103

Plot No.23, 23A & 22B, Sector-2, Integrated Industrial Area,  
 Pant Nagar, Distt U.S.Nagar, Uttarakhand -263 153

Plot No. 486, Sector-8, IMT Manesar, Haryana – 122 050

Qilla Khasra No.138/3/4, Balkalan, Amritsar

Plot No. 217-218, Baddi Industrial Area, Baddi, Solan, Himachal  
 Pradesh

**Plants of MTL New Initiatives Private Limited**

Silvassa:Haveli Estate, Building – A & B, Survey No. 121/26, Village Amla of U.T. of Dadra & Nagar Haveli - 396230

Bidadi Recycling Plant : Plot No. 74-B & 74-C (P), Bidadi Industrial Area, 2nd Phase, Sector-2, Ramanagar District-560 109, Karnataka

Nandyal Plant : Survey No. 517, Udumalpuram, Nandyal, Kurnool, Andhra Pradesh

**Email:** info@manjushreeindia.com | **Website:** www.manjushreeindia.com



Dear Shareholders,

It gives me immense pleasure to extend a warm welcome all of you to the 34<sup>th</sup> Annual General Meeting of your company. The Directors' Report and the Audited Accounts for the Financial Year ended March 31 2021 have been with you and, with your consent; I shall take them as read.

I hope that you are doing well and keeping safe and healthy. The country has been reeling under the Covid-19 pandemic, which has disrupted our collective sense of the 'normal'. However, I am sure that we will emerge out of this crisis stronger, more resilient and wiser.

Let me begin by taking this opportunity to pay my sincere gratitude to each and every one working at the frontline, combating the pandemic, in order to make the world safer for all of us—the medical community, sanitation workers, essential service providers and the law enforcement agencies.

In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circulars issued by the Ministry of Corporate Affairs, the AGM is being held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

Before I speak to you about the performance of your company, let me briefly highlight the economic scenario in which your Company has been operating.

The spread of the COVID-19 pandemic brought economic activity to anearstandstill in the first half of FY 2020-21. Global growth plunged 3.5% Y-o-Y in Calendar Year 2020 - the deepest global recession since the Great Depression. India's (FY 2020-21) GDP is estimated to have contracted by 7.7% Y-o-Y. The pandemic has cost over 3 million lives so far, and many millions more jobs. However, we believe that we are at a turning point now. In 2021 the global economy is poised to grow 6% Y-o-Y driven by policy support and improving consumer sentiment. Moreover, we also derive comfort from the US jobs recovery, with a surge in non-farm payrolls in July 2021 (the best in the last 11 months), and the lowest unemployment rate (5.4% in July 2021), since the pandemic took hold. The outlook for the global manufacturing industry in 2021 is positive, benefiting from the substantial fiscal stimulus – especially infrastructure-supportive spending - by governments in the developed world.

The Indian economy that was witnessing a sharp drop in GDP following the impact of the Covid 19 induced lockdown, showed signs of improvement during the second half of FY 21. The GST collections have been robust from November 2020 onwards. However, the second wave that started in late March 2021 has come in the way of further recovery, necessitating deployment of resources to protect the lives, safety, and basic needs of large vulnerable sections of society, and to augment the healthcare infrastructure that is needed to fight this second wave. There have been lock-downs by all the States across the country since April 2021, causing large scale shutdown of manufacturing facilities as well trading activities in most geographies. Following the drop in cases and mass scale vaccination initiatives, the lockdown is being relaxed in stages since mid-June 2021.

The silver lining is that following a bountiful monsoon in FY 21, the monsoon during FY 22 is also expected to be normal. Unlike the Q1 of the previous year, the GST collections during the first quarter of this fiscal have been sizable, indicative of a reasonable state of activity in the overall economy.

The second wave has impacted every family forcing sizable spends on healthcare and also leading to a mindset to preserve cash for any future emergency. Large scale deficit financing, necessitated by the pandemic, can have inflationary effects affecting disposable income. It is expected that the ever-resilient Indians will fight their way up to restore growth. The RBI MPC review on 6<sup>th</sup> August has pegged India's GDP growth at 9.5%, while increasing the CPI inflation expectation for FY22 to 5.7% (vs. 5.1% earlier). With WPI inflation in double digits (~12% in June 2021), we expect inflationary headwinds to weigh on margins.

AT MTL, we have adopted a new Distant but Connected logo to convey our solidarity in the global war against COVID-19 as well as our commitment to Wellness First. Leadership teams and support functions have worked round the clock to ensure associates remained safe, connected, informed

and motivated. I thank every MTL employee for staying together as one family, especially during this crisis.

As a matter of health and safety of the employees and their family members, your Company has implemented a massive vaccination drive for its employees and their family members across all our units in the country. Many employees and their family members have already been successfully vaccinated with the 1<sup>st</sup> dose of the vaccine and some employees have been vaccinated with the 2<sup>nd</sup> dose also. This will be continued till all the employees have been fully vaccinated.

With the above background I shall proceed to briefly cover the highlights of FY 21 and the steps being taken by your Company to stay stronger.

We had acquired National Plastics (NAPLA) on a slump sale basis in December 2019 and in 2020 NAPLA was successfully integrated with your company.

I would like to inform you that your company set up a wholly owned subsidiary, MTL New Initiatives Private Limited in January 2020. During the course of the last year, the subsidiary company has successfully established three Units at:

- Silvassa,
- Bidadi Recycling, Karnataka
- Nandyal, Andhra Pradesh

The top-line of the subsidiary company in FY 21 was Rs. 167.03 million compared to Rs. 7.50 million in FY20. Now all three units have positive momentum, and we are expecting that this subsidiary will generate positive EBITDA in FY22.

It is also a pleasure to inform you that your company has successfully acquired the B2B business of Pearl Polymers Limited (PPL) in April 2021. Your Company has acquired four manufacturing units of PPL located at:

- a. Jigani, Karnataka
- b. Baddi, Himachal Pradesh
- c. Pantnagar, Uttarakhand
- d. Guwahati, Assam

Now your company, together with its subsidiary has a pan-India foot print, having 15 (fifteen) manufacturing units with 5 Units in the South, 2 Units in the East, 7 Units in the North and 1 Unit in the West.

Award: Golden Peacock Award

MTL's efforts towards Environment and Sustainability were rewarded with the prestigious **Golden Peacock Award 2020**. MTL won this award for best environmental management in the Packaging Industry Category from more than 350 nominations. Shri Arjun Ram Meghwal, Hon Union Minister of State for Parliamentary Affairs and Heavy Industries and Public Enterprises, Dr Prashant Bhargava- Member Secretary – Central Pollution Control Board, Ministry of Environment, Forest and Climate Change & Mr. Mark Miller- FCCA, President ACCK- UK were present during the virtual award ceremony.

As the Indian economy recovers from the ongoing pandemic and reform measures and forward-looking policies such as 'Atmanirbhar Bharat' are implemented, we have the potential to boost our growth trajectory. The strategic moves your Company has made over the last few years have given it the structural and financial strength to capitalise on the opportunities that arise in the future, while ensuring its resilience in the face of uncertainty and a changing operating environment. At the same time, we will strive to be a leader in the transition to a greener economy - aiming to create a virtuous cycle of growth and returns for our shareholders.

Before I end, I would like to take this opportunity to thank all our employees and their families for their profound contributions in these trying times. I would also like to thank our shareholders for your continued trust, confidence, and support now and in the coming years.

Warm regards  
**Ashok Sudan**  
Chairman



## BOARD'S REPORT

TO THE MEMBERS - MANJUSHREE TECHNOPACK LIMITED

The Board of Directors has pleasure of presenting the Thirty-Fourth Annual Report of the Company and Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021, together with the Independent Auditor's Report.

### IMPACT OF COVID 19 ON THE BUSINESS

Calendar Year 2020 was a highly volatile and challenging year. Covid-19 changed almost every aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply. Our focus was on our people's health & safety, ensuring uninterrupted supplies of Covid-19 relevant packaging products, meeting the demand of FMCG and Pharma Sectors arising out of changed consumer behavior and needs, caring for the communities in which we operate, preserving cash and protecting our business model.

Moreover, global trade dynamics and volatile commodity cycles continue to create challenges and uncertainties for companies and categories across the spectrum, with the latter part of the financial year witnessing a sudden spurt in commodity prices. Despite the turbulences mentioned, your Company has been able to successfully navigate through them and has only leveraged on the crisis to emerge stronger.

It is quite unfortunate that Corona Virus has caused significant health concerns across the Globe and resulted in multiple deaths. With strict social distancing norms, most of the World was forced to observe Lockdown. Thanks to early initiatives taken, India declared Lockdown from 24<sup>th</sup> March 2020, with gradual reopening from June, 2020. Your Company complied with the directions of the Government of India, the respective State Governments in which our Manufacturing Units are located and the relevant authorities and strictly adhered to the Lockdown in its facilities and at all Offices. Your Company faced lot of challenges like obtaining permission to operate the manufacturing units during lock-down, obtaining passes for the employees to visit to Units, mass labour movement to their hometown during the lock-down, retain the labour creating confidence among them and following strict COVID safety Protocol, however your Company has come out stronger from these challenges said situations.

The employees, vendors, customers, outsourcing agencies, Consultants and other acquaintances had to suspend their operations almost fully. Considering the reduced volume business, Work from Home concept was adopted during the Lockdown as per the Guidance of the Governments.

Your Company's Plants in Northern India and Eastern India were shut down for half a month; despite the same, the performance of MTL has been resilient.

(Rupees in Lakhs except stated otherwise)

Particulars	Consolidated Amount As on 31 <sup>st</sup> March 2021	Consolidated Amount As on 31 <sup>st</sup> March 2020	Standalone As on 31 <sup>st</sup> March 2021	Standalone As on 31 <sup>st</sup> March 2020
Turnover - Domestic	1,00,509.22	1,03,518.28	99205.54	1,03,518.22
- Exports	4,173.83	4,594.83	4173.83	4,594.83
<b>Total Turnover</b>	<b>1,04,683.05</b>	<b>1,08,113.11</b>	<b>1,03,379.37</b>	<b>1,08,113.05</b>
<b>Less - Cost of Sales</b>				
Excise Duty				
(Increase) / Decrease in Stocks	2,072.94	(2,954.35)	2,361.42	(2,946.71)
Materials Consumed	53,549.71	63,902.65	52,537.88	63,915.83

(Rupees in Lakhs except stated otherwise)

Particulars	Consolidated Amount As on 31 <sup>st</sup> March 2021	Consolidated Amount As on 31 <sup>st</sup> March 2020	Standalone As on 31 <sup>st</sup> March 2021	Standalone As on 31 <sup>st</sup> March 2020
Other Expenditure	22,385.26	21,339.98	21,642.91	21,254.05
<b>Sub Total</b>	<b>78,007.91</b>	<b>82,288.28</b>	<b>76,542.21</b>	<b>82,223.17</b>
<b>Gross Profit</b>	<b>26,675.14</b>	<b>25,824.83</b>	<b>26837.16</b>	<b>25,889.88</b>
Administrative and Selling Expenses	6357.86	6968.47	6195.61	6,896.09
<b>Operating Profit</b>	<b>20317.28</b>	<b>18,856.36</b>	<b>20641.55</b>	<b>18,993.79</b>
Interest and Financial Charges	4,323.23	4,285.65	3997.92	4242.80
Depreciation / Write Offs	7,832.74	6,631.08	7,549.44	6,539.22
<b>Profit after Interest and Depreciation</b>	<b>8,161.31</b>	<b>7,939.63</b>	<b>9,094.19</b>	<b>8,211.77</b>
Other income	714.21	1,643.17	699.98	1,647.76
<b>Profit before tax (excluding OCI)</b>	<b>8875.52</b>	<b>9,582.80</b>	<b>9794.17</b>	<b>9,859.53</b>
<b>Exceptional Items</b>	<b>2396.30</b>	<b>-</b>	<b>2396.30</b>	<b>-</b>
Provision for Taxation	2300.00	1,965.14	2300.00	1,965.14
Deferred Tax (Provision)/Write Back	(143.70)	895.13	(151.91)	885.93
<b>Net Profit after Tax</b>	<b>9115.52</b>	<b>6722.53</b>	<b>10042.38</b>	<b>7,008.46</b>
Proposed Dividend for the year (including taxes)	-	-	-	-
<b>Retained Surplus</b>	<b>9115.52</b>	<b>6722.53</b>	<b>10042.38</b>	<b>7,008.46</b>
<b>Other Comprehensive Income</b>	<b>(66.21)</b>	<b>(72.98)</b>	<b>(37.92)</b>	<b>(72.98)</b>
<b>Net Surplus</b>	<b>9049.31</b>	<b>6649.55</b>	<b>10004.46</b>	<b>6,935.48</b>
Add: Surplus brought forward from previous year	37961.53	31,311.98	38247.43	31,311.95
Less: Interim Dividend and tax thereon Transitional adjustment for IndAs 115 Adjustment due to restatement in PPE		-	-	-
<b>Net Surplus carried to Balance Sheet</b>	<b>47,010.84</b>	<b>37,961.53</b>	<b>48251.83</b>	<b>38,247.43</b>
Paid-up Equity Share capital (FV Rs.10 per Equity Share )	1,354.77	1,354.77	1,354.77	1,354.77
Reserves and Surplus (excluding revaluation reserves)	53679.67	44,224.67	54,920.75	44,510.60
<b>Weighted Average Basic EPS(Rs.)</b>	<b>66.80</b>	<b>49.08</b>	<b>73.85</b>	<b>51.19</b>

Your Company had one more year of resilient financial performance compared to last year although faced lot challenges including COVID-19, with the North and East plants being shut, without any production for 15 days.

The Consolidated financial positions is as follows:

The gross turnover for FY 2021 was at Rs. **1,04,683.05** Lakhs (2020 – Rs. **1,08,113.11** Lakhs). The Gross Profit during FY 2021 was Rs. **26,675.14** Lakhs (2020 – Rs. **25,824.83** Lakhs), while the Operating Profit stood at Rs. **20,317.28** Lakhs (2020 – Rs. **18,856.36** Lakhs). The Profit Before Tax (excluding OCI) during FY 2021 was at Rs. **8875.52** Lakhs (2020– Rs. **9,582.80** Lakhs). After Provision for Taxation, the Net Surplus amounted to Rs. **9049.31** Lakhs (2020–Rs. **6649.55** Lakhs) resulting in a basic EPS of Rs. **66.80** (2020 – Rs. **49.08**).

The Standalone financial position is as follows:

The gross turnover for FY 2021 was at Rs. **1,03,379.37** Lakhs (2020 – Rs. **1,08,113.05** Lakhs). The Gross Profit during FY 2021 was Rs. **26,837.16** Lakhs (2020 – Rs. **25,889.88** Lakhs), while the Operating Profit stood at Rs. **20,641.55** Lakhs (2020 – Rs. **18,993.79** Lakhs). The Profit Before Tax (excluding OCI) during FY 2021 was at Rs. **9794.17** Lakhs (2020–Rs. **9,859.53** Lakhs). After Provision for Taxation, the Net Surplus amounted to Rs. **10004.46** Lakhs (2020–Rs. **6,935.48** Lakhs) resulting in a basic EPS of Rs. **73.85** (2020 – Rs. **51.19**).

The notes on accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments..

### CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 and Ind AS 110 issued by Institute of Chartered Accounting of India, the Consolidated Financial Statements presented by the Company include the audited financial statements received from Subsidiary Company, as approved by its Board.

### SUBSIDIARIES / ASSOCIATES / JOINT VENTURES:

MTL New Initiatives Private Limited was formed on 1<sup>st</sup> January, 2020 as Wholly Owned Subsidiary of Manjushree Technopack Limited.

Al Lenarco Midco Limited, Cyprus based Company holds 97.24% Share Capital of Manjushree Technopack Limited; hence, Manjushree Technopack Limited is the Subsidiary of Al Lenarco Midco Limited.

### RESULTS OF OPERATIONS OF MTL NEW INITIATIVES PRIVATE LIMITED (In accordance with IND AS)

(Rupees in Lakhs except stated otherwise)

Particulars	As on 31st March, 2021	As on 31st March, 2020
Turnover - Domestic	1670.38	75.07
- Exports	-	-
<b>Total Turnover</b>	<b>1670.38</b>	<b>75.07</b>
<b>Less - Cost of Sales</b>		
Excise Duty		
(Increase) / Decrease in Stocks	(40.03)	(7.64)
Materials Consumed	1139.19	54.69
Other Expenditure	748.54	93.06
<b>Sub Total</b>	<b>1847.70</b>	<b>140.11</b>
<b>Gross Loss</b>	<b>(177.32)</b>	<b>(65.04)</b>
Administrative and Selling Expenses	146.95	72.37
<b>Operating Loss</b>	<b>(324.27)</b>	<b>(137.41)</b>
Interest and Financial Charges	325.31	52.34
Depreciation / Write Offs	283.30	91.86
<b>Loss after Interest and Depreciation</b>	<b>(932.88)</b>	<b>(281.61)</b>
Other income	14.23	4.91
<b>Loss before tax</b>	<b>(918.65)</b>	<b>(276.70)</b>
Provision for Taxation		-
Deferred Tax (Provision )/Write Back	8.22	9.19
<b>Net Loss after Tax</b>	<b>(926.87)</b>	<b>(285.89)</b>

#### **CHANGE IN THE NATURE OF BUSINESS:**

There were no changes in the nature of business during the year under review as prescribed in Rule 8(ii) of the Companies (Accounts) Rules, 2014.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of the section 149,152 and other applicable provisions of the Companies Act, 2013. Mr. Pankaj Patwari (DIN: 08206620) Director of the Company will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his appointment for the consideration of Members of the Company in the ensuing Annual General Meeting.

In accordance with the provisions of the section 149,152 and other applicable provisions of the Companies Act, 2013. Mr. Manu Anand (DIN: 00396716) Director of the Company will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his appointment for the consideration of Members of the Company in the ensuing Annual General Meeting.

During the year under review Mr. Vimal Kedia (DIN:00072923), Mr. Surendra Kedia (DIN: 00072926) and Mr. Vinod Padikkal (DIN: 07765484) have resigned from the Directorship of the Board of Manjushree Technopack Limited.

The Code of Conduct for Directors and to all present senior executives forming a part of the top level Management is available at <http://manjushreeindia.com/investor-relations/code-of-conduct/>.

#### **CHANGES IN SHARE CAPITAL:**

There was no increase or decrease in the Authorized, Issued and Paid-up Capital of your Company.

The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten only) each and the subscribed/ issued and Paid up Capital of the Company is Rs. 13,54,77,000 (Rupees Thirteen Crores Fifty Four Lakhs Seventy Seven Thousand Only) divided into 1,35,47,700 (One Crore Thirty Five Lakhs Forty Seven Thousand Seven Hundred Only) Equity Shares of Rs.10/- (Rupees Ten only) each.

During the year under review, the Company has not issued any shares with differential voting right not granted stock options or Sweat Equity shares. Further, no shares were bought back during the year under review.

#### **ISSUE OF COMPULSORILY CONVERTIBLE DEBENTURES:**

Your Company has issued 35,21,614 (Thirty Five Lakhs Twenty One Thousand Six Hundred and Fourteen Only) Compulsorily Convertible Debentures ("CCDs"), at par, with face value of Rs. 100 (Rupees Hundred Only) each CCD, to AI Lenarco Midco Limited (Investor), for an aggregate amount of Rs. 35,21,61,400 (Rupees Thirty Five Crores Twenty One Lakhs Sixty One Thousand and Four Hundred only).

#### **DIVIDEND:**

Your Company is in process of expanding its business in organic and inorganic way.

#### **BOARD MEETINGS:**

The Meetings of the Board were held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review

Eleven (11) Meetings were held on 07/05/2020, 17/06/2020, 24/07/2020, 10/08/2020, 27/08/2020, 15/09/2020, 10/10/2020, 23/10/2020, 30/11/2020, 19/02/2021 and 31/03/2021.

The Agenda of the Meetings are circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

**RECEIPT OF ANY COMMISSION BY MD/WTD FROM THE COMPANY OR FOR RECEIPT OF COMMISSION/ REMUNERATION FROM ITS HOLDING OR SUBSIDIARY**

There was no commission received from the Company as well as from its holding or subsidiary company.

**DECLARATIONS FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received necessary declarations from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 stating that they meet with the criteria of their Independence laid down in Section 149(6). The same is enclosed to this Report as Annexure I.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had 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 that period;
- (c) the Directors had 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;
- (d) the Directors had prepared the Annual Accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31<sup>st</sup> March, 2021.

**CHANGE IN THE NATURE OF BUSINESS:**

There were no changes in the nature of business of the Company during the financial year ended on 31<sup>st</sup> March, 2021.

**EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

After acquisition of National Plastics in FY20, Your Company had signed the BTA (Business Transaction Agreement) for acquiring the B2B business of Pearl Polymers Limited, thereby expanding its presence with four (4) new manufacturing units at Jigani, Karnataka, Guwahati, Assam, Pantnagar, Uttarakhand and Baddi, Himachal Pradesh. The transaction consummated on 12<sup>th</sup> April, 2021.

With the consummation of this transaction, your company has reinforced its leadership position in the North and gained access to marquee clientele in the Foods, beverage and liquor segment.

You company has issued 25,00,133 Compulsory Convertible Debentures (CCDs) @ Rs. 100/- each to M/s Al Lenarco Midco Limited.

**INFORMATION ON THE FINANCIAL POSITION/ FINANCIAL PERFORMANCE OF THE SUBSIDIARIES / ASSOCIATES/ JVS:**

The Company has a subsidiary MTL New Initiatives Private Limited incorporated on 1<sup>st</sup> January, 2020.

The Company does not have any associates/ JVS.

In accordance with Section 129 (3) of the Companies Act, 2013, a separate statement containing salient features of the financial statement of the Subsidiary of the Company in Form AOC-1 is given in Annexure II.

**DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

There are no Directors/Employees who were in receipt of the remuneration as prescribed under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 during the year under review and hence annexure required under the said Section is not attached.

**REMUNERATION POLICY**

The Company policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is placed on the website of the Company at [www.manjushreeindia.com](http://www.manjushreeindia.com).

**MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors of the Company had met on 24<sup>th</sup> March, 2021 during the year to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairman of the Company and Non-Executive Directors and other items as stipulated under of The Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors have also declared their independence.

**ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors, pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as Board structure and composition, formation and delegation of responsibilities to Committees, Board processes and their effectiveness, degree of effective communication with the stakeholders.

The performance of the Board Committees was evaluated by the Board after seeking inputs from the Committee Members based on criteria such as Committee composition, structure, effectiveness of Committee Meetings.

Independent Directors of the Company provided their views on performance of Non-Independent Directors, and the Board as a whole, considering the views of Executive Directors and Non-Executive Directors.

Your Board has evaluated the Independent Directors and confirms that all Independent Directors fulfilled the independence criteria as specified in the Companies Act, 2013 and their independence from the management.

**AMOUNTS TRANSFERRED TO RESERVES:**

Being a profit, during the year, the Company has transferred total profit amount to Reserve & Surplus Account

**ANNUAL RETURN:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 read with Companies Amendment Act, 2020 an Annual Return in MGT-7 is placed on the website of the Company i.e., [www.manjushreeindia.com](http://www.manjushreeindia.com). The link is <https://www.manjushreeindia.com/investor-relations>.

**COMPOSITION OF THE COMMITTEES:**

Following are the composition of various Committees:

**i) Composition of Audit Committee:**

- a) Mr. Jayesh Merchant - Chairman
- b) Mr. Ashok Sudan - Member
- c) Mr. Manu Anand - Member

The Company's Whistle Blower Policy is available at <http://manjushreeindia.com/investor-relations/whistle-blower-policy/>

**ii) Composition of Nomination and Remuneration Committee:**

- a) Mr. Manu Anand - Chairman
- b) Mr. Jayesh Merchant - Member
- c) Mr. Ashok Sudan - Member

The Company's Nomination and remuneration Policy is available at <http://manjushreeindia.com/investor-relations/nomination-and-remuneration-policy/>.

**iii) Composition of Stakeholders' Relationship Committee:**

- a) Mr. Ashok Sudan - Chairman
- b) Mr. Pankaj Patwari - Member
- c) Mr. Sanjay Kapote - Member

**iv) Composition of Corporate Social Responsibility Committee:**

- a) Mr. Ashok Sudan - Chairman
- b) Mr. Pankaj Patwari - Member
- c) Mr. Sanjay Kapote - Member

**AUDITORS:****Statutory Auditors:**

The Auditor Messrs Deloitte Haskins & Sells, Chartered Accountants, 19<sup>th</sup> Floor, 46, Prestige Trade Towers, Palace Road, High Grounds, Bengaluru-560001 (registered with ICAI (Firm Registration No. 008072S) were appointed as Statutory Auditors of the Company for the 5 (five) years for the financial year 2021-2025.

**Cost Auditor:**

Messrs G S & Associates, Cost Accountants, # 207, Bindu Galaxy, No. 2, 1<sup>st</sup> Main, Chord Road, Industrial Town, Rajajinagar, Bengaluru-560044 were appointed as Cost Auditors for the Financial Year 2020-21 for the product shrink film.

**Secretarial Auditor:**

Mr. Vijayakrishna K T, FCS, Practising Company Secretary, was appointed as Secretarial Auditor of the Company for the financial year 2020-21.

**SECRETARIAL AUDIT REPORT:**

Secretarial Audit Report as provided by Mr. Vijayakrishna K. T, Practising Company Secretary in form of MR-3 is annexed to this Report as Annexure III.

**QUALIFICATIONS IN THE AUDIT REPORTS:**

There were no qualifications or observations by the Auditors in their audit reports.

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

A. Statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo is as follows:

Form for disclosure of particulars with respect to conservation of energy

**I. POWER AND FUEL CONSUMPTION:**

	31.03.2021	31.03.2020
1. Electricity		
<b>(a) Purchased</b>		
No. of Units in Lakhs (KWH)*	960.05	1088.96
Total Amount Rs. in Lakhs	6354.19	7421.48
Rate / Unit (KWH) (Rs.)	6.82	6.82
<b>(b) Own Generation through Diesel Generator</b>		
No. of Units (KWH) Generated in Lakhs	6.31	12.12
Total Amount Rs. In Lakhs	157.10	246.89
Units Per Liter of diesel oil	2.71	3.11
Cost / Unit in Rs.	24.88	20.37
*excluding generation from wind mill units	37.02	47.70
2. Coal	—	—
3. Furnace Oil	—	—
4. Others	—	—

**II. CONSUMPTION PER UNIT OF PRODUCTION (to the extent applicable):**

Particulars	Standard	Unit	31.03.2021	31.03.2020
Production (Containers & Performs)	N.A.	MT	57,589.00	71,813.00
Production (Conversion)	N.A.	MT	24,525.00	34,602.00
Consumption of Electricity per ton (incl. own generation)	None	KWH	1,173.00	1,034.70
Consumption of Diesel Oil per ton	None	Litres	2.82	3.66

**B. TECHNOLOGY ABSORPTION:**

(a) Efforts made in technology absorption as per detailed hereunder:

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

1. Specific areas in which R & D carried out by the Company. : The Company is making in-house R & D efforts for introduction / development of value added products.
2. Benefits derived as a result of the above R & D : New products have been introduced giving an edge to the Company in present day competitive market.
3. Further Plan of action : The Company intends to continue its R & D efforts.

**EXPENDITURE ON R & D:**
**The expenditure incurred on Research and Development: BIDADI UNIT**

(Rs. in Lakhs)

Nature of Expenditure	2020-21	2019-20
Capital Expenditure	-	2.18
Revenue Expenditure	66.20	284.87
<b>TOTAL</b>	<b>66.20</b>	<b>287.05</b>
Total R&D expenditure as a percentage of total turnover	0.06%	0.67%

**Expenditure incurred on Research and Development: BOMMASANDRA UNIT**

(Rs. in Lakhs)

Nature of Expenditure	2020-21	2019-20
Capital Expenditure		10.92
Revenue Expenditure	96.91	409.28
<b>Total</b>	<b>96.91</b>	<b>420.20</b>
Total R&D expenditure as a percentage of total turnover	0.09%	1.56%

Total Expenditure of both Units for financial year 2020-21: Rs. 163.11 Lakhs (Previous year: Rs. 707.25 Lakhs)

Total R&amp;D expenditure as a percentage of total turnover for financial year is 0.15 % (FY 20: 1.01 %)

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

The Company has been continuously putting efforts to develop new products with different challenges. The Company is doing many research activities in the areas of material weight reduction, alternate material, process design, process improvement etc.

**Benefits derived as a result of R & D:**

- Market expansion and improved competitive position through significantly improved products for new markets.
- Improved competency for designing process & products for customers.
- Up gradation of technical skill of employees for higher productivity & more consistent quality.

**Future Plan of Action:**

Your Company is looking to adapt new and upgraded technologies in order to stay ahead of its competitors. Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavors.

Form for disclosure of particulars with respect to absorption

II.

- Efforts in brief made towards technology absorption, adaptation and innovation. : Does not arise
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. : Does not arise
- Technology imported : None
  - Year of Import : NA
  - Has technology been fully absorbed? : NA
  - If not fully absorbed, area where this has not taken place reason thereof and future plan of action. : NA
- Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services export plans.

(Rupees in Lakhs except stated otherwise)

<b>(b) Total foreign exchange used and earned:</b>		<b>31.03.2021</b>	<b>31.03.2020</b>
<b>A.</b>	<b>FOREIGN EXCHANGE EARNINGS:</b>		
	Export Sales (including exchange difference & excluding Rupee exports)	4,173.83	3,513.25
<b>B.</b>	<b>FOREIGN EXCHANGE OUTGO:</b>		
	Capital Equipment	1,495.75	3,340.89
	Raw Materials	1,359.67	4,146.38
	Spares & Consumables	40.18	-
	Travelling Expenses	8.07	16.85
	Bank Charges (Import and FBC)	4.9	7.04
	Interest on Loans	9.05	76.6
	Membership and Subscription	10.68	13.4
	Professional Fees	36.51	24.59
	Exhibition	-	15.89
	Advertisement	-	
	Others	-	
		2.89	26.37
	<b>Total (B)</b>	<b>2967.70</b>	<b>7,668.01</b>

**RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:**

No Director has received any commission from your Company or from Holding or Subsidiary Company.

**DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:**

Statement pursuant to sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure IV.

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company is following adequate Internal Financial Controls with reference to the Financial Statements.

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

The Company has given Loan to MTL New Initiatives Private Limited, Wholly Owned Subsidiary amounting to Rs. 87,55,01,126/-. The Company also subscribed total Equity Shares of MTL New Initiatives Private Limited i.e. 10,000 Equity Shares @ Rs.10/- each for its incorporation during the period under review. Your Company has not given Guarantees. Your Company has complied the provisions of Section 186 of the Companies Act, 2013 to the extent applicable.

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The Current CSR Committee comprising Mr. Ashok Sudan (Independent Director) as Chairman and Mr. Pankaj Patwari, Director and Mr. Sanjay Kapote, Managing Director and CEO as other Members. The CSR Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

The CSR Committee has recommended the Board to initiate the action for spending on the CSR activities to comply with the provisions of the Companies Act, 2013. The details of the spending on CSR activities are attached as Annexure-V to this Report.

Company's CSR Policy is available at <https://www.manjushreeindia.com/investor-relations>.

**RELATED PARTY TRANSACTIONS:**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) are enclosed in the prescribed format, Form AOC-2, as Annexure-VI. The Transactions are in the ordinary course of business and at arm's length terms. The Company's Policy on Related Party Transactions is available at <http://manjushreeindia.com/investor-relations/related-party-transaction-policy/>.

**TRANSFER TO IEPF:**

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), the Company had sent individual notices and also advertised in the newspapers seeking action from the Shareholders who have not claimed their Dividends for past seven consecutive years i.e. for final Dividend of the financial year ended 2012-2013, and thereafter, had transferred such unpaid or unclaimed Dividends and corresponding 2188 Equity Shares held by 13 Shareholders to the IEPF Authority on January 13, 2021. Shareholders /claimants whose Shares, unclaimed Dividend, have been transferred to the afforested IEPF Suspense Account or the Fund, as the case may be, may claim the Shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time. Further, the Company shall be transferring the unclaimed Dividend for the financial year 2013-2014 to the IEPF Account on or before August 31, 2021.

**DETAILS RELATING TO DEPOSITS:**

Your Company has not invited/accepted/renewed any Deposits from the public as defined under the provisions of the Companies Act, 2013 and accordingly, there were no Deposits which were due for repayment on or before 31st March, 2021.

**RISK MANAGEMENT:**

Your Company has formed Risk Management Committee consisting as following:

- (a) Mr. Ashok Sudan, Independent Director as Chairman
- (b) Mr. Pankaj Patwari, Director as Member
- (c) Mr. Sanjay Kapote, Managing Director and CEO as Member

An efficient Management team identifies various risks and takes necessary mitigating actions against the same.

**EVENT BASED DISCLOSURES:**

There were no such events during the year to disclose under this section.

**REVISION OF FINANCIAL STATEMENTS OR THE REPORT**

As per the Secretarial Standards-4 in case the Company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

In your Company there is no revision of Financial Statement has taken place in any of the three preceding financial years under consideration.

**CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):**

There was no such process initiated during the year under consideration.

**CREDIT RATING OF SECURITIES:**

Your Company has not obtained any rating from the credit rating agency for the securities during the year. Therefore, the said clause is not applicable to the Company.

**INDUSTRIAL RELATIONS:**

Industrial relations have been cordial and constructive, which has helped your Company to achieve production targets.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. Three member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaints pertaining to sexual harassment was reported during the year.

**MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF COMPANY:**

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

**FRAUD REPORTING (REQUIRED BY COMPANIES AMENDMENT BILL, 2014):**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

**VIGIL MECHANISM:**

Your Company is committed to highest ethical and legal standards. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013.

**COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

**MAINTENANCE OF COST RECORDS:**

Your Company has complied with the Maintenance of Cost Records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013.

**ACKNOWLEDGEMENTS:**

The Directors wish to place on record their sincere gratitude for the co-operation, guidance, support and assistance provided during the year by its Bankers, Registrars and Industries Dept. of Govt., Local Authorities, Suppliers, Contractors, Customers and Vendors. Your Directors also wish to express their deep sense of appreciation for the dedicated services rendered by the staff at all levels towards its successful operations. The Directors also thank the Shareholders of the Company for reposing their faith in the Company and for giving their dedicated and ever-willing support towards taking the Company forward on the path of progress and growth.

For and on behalf of the Board

Bengaluru  
15th June, 2021

**Sanjay Kapote**  
Managing Director and CEO  
DIN: 07529860

**Ashok Sudan**  
Chairman  
DIN: 02374967

### Annexure-I

## DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To,

THE BOARD OF DIRECTORS  
MANJUSHREE TECHNOPACK LIMITED

Dear Sirs & Madam,

We undertake to comply with the conditions laid down in Section 149 of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) We declare that up to the date of this certificate, apart from receiving commission for attending Board and Committee Meetings, we did not have any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, Senior Management or its Holding Company, its Subsidiary and Associates as named in the Annexure thereto which may affect our independence as Director on the Board of the Company. We further declare that we will not enter into any such relationship/transactions. However, if and when we intend to enter into such relationships/transactions, whether material or non-material we shall keep prior approval of the Board. We agree that we shall cease to be an Independent Director from the date of entering into such relationship/transaction.
- (b) We declare that we are not related to Promoters or Persons occupying management positions at the Board level or at one level below the Board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) We were not a partner or an executive or were also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the Company
- (d) We have not been a material supplier, service provider or customer or lessor or lessee of the Company, which may affect independence of the Director, and was not a substantial Shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You  
Yours faithfully

Date: 15-06-2021  
Place: Bengaluru

**Jayesh Merchant**  
Director Independent  
DIN: 00555052

**Ashok Sudan**  
Director Independent  
DIN:02374967

**Annexure – II****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129  
read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1	Sl. No. 1	
2	Name of the subsidiary	MTL New Initiatives Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2020 to 31st March, 2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
5	Share capital	INR 1,00,000/-
6	Reserves & surplus	NIL
7	Total assets	INR 1086927530/-
8	Total Liabilities	INR 1086927530/-
9	Investments	NIL
10	Turnover	INR 167038412/-
11	Profit before taxation	INR (91865281/-)
12	Provision for taxation	INR NIL
13	Profit after taxation	INR (94772954/-)
14	Proposed Dividend	NIL
15	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : **Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year : **Not Applicable**

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: NIL

**Name of associates/Joint Ventures**

1.	Latest audited Balance Sheet Date	Not Applicable	Not Applicable	Not Applicable
		Not Applicable	Not Applicable	Not Applicable
2.	Shares of Associate/Joint Ventures held by the company on the year end	Not Applicable	Not Applicable	Not Applicable
	Amount of Investment in Associates/ Joint Venture	Not Applicable	Not Applicable	Not Applicable
		Not Applicable	Not Applicable	Not Applicable
	Extend of Holding%	Not Applicable	Not Applicable	Not Applicable
		Not Applicable	Not Applicable	Not Applicable
3.	Description of how there is significant influence	Not Applicable	Not Applicable	Not Applicable
		Not Applicable	Not Applicable	Not Applicable
4.	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable
		Not Applicable	Not Applicable	Not Applicable
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable	Not Applicable	Not Applicable
		Not Applicable	Not Applicable	Not Applicable
6.	Profit/Loss for the year	Not Applicable	Not Applicable	Not Applicable
i.	Considered in Consolidation	Not Applicable	Not Applicable	Not Applicable
ii.	Not Considered in Consolidation	Not Applicable	Not Applicable	Not Applicable

1. Names of associates or joint ventures which are yet to commence operations : **Not Applicable**

2. Names of associates or joint ventures which have been liquidated or sold during the year : **Not Applicable**

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board

Bengaluru  
15th June, 2021

**Sanjay Kapote**  
Managing Director and CEO  
DIN: 07529860

**Ashok Sudan**  
Chairman  
DIN: 02374967

**Annexure- III**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2021**

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

To  
The Members  
MANJUSHREE TECHNOPACK LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Manjushree Technopack Limited bearing CIN: U67120KA1987PLC032636 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2021 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) There were no industry specific laws applicable to the Company from the list provided by the Institute of Company Secretaries of India.
- (vi) The other general laws as may be applicable to the Company including the following:

**(1) Employer / Employee Related laws & Rules:**

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Apprentices Act, 1961
- iv. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926

- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxiv. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxv. Dangerous Machines (Regulation) Act, 1983
- xxvi. Indian Boilers Act, 1923
- xxvii. The Labour Welfare Fund Act, 1965
- xxviii. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

**(2) Environment Related Acts & Rules:**

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

**3) Economic/Commercial Laws & Rules:**

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non material findings made during the course of the audit relating to the provisions of Companies Act and Labour Laws were addressed suitably by the Management.

I further state that during the period under the review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable Labour Laws, environmental laws and other applicable laws as mentioned above.

Further, I report that with regard to financial and taxation matters, I have relied up on the Audit Reports, Limited Review Reports and the Internal Audit Reports provided by the Statutory/Internal Auditors, as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors during the year under review with due compliances.

As per the information received from the Company Secretary, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

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

I further report that I could not physically verify few documents/registers/returns due to Lockdown situation in relation to outbreak of Pandemic Covid-19 and I have relied up on the soft copies/information shared with me.

Place: Bangalore

Date: 16.06.2021

**(Vijayakrishna K T)**  
Practising Company Secretary  
FCS: 1788 C P: 980  
UDIN: **F001788C000472313**

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

**'Annexure'**

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under The Income Tax Act, The Customs Act, The Goods and Services Tax Act.

3. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
5. 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: Bangalore

Date: 16.06.2021

**(Vijayakrishna K T)**  
Practising Company Secretary  
FCS: 1788 C P: 980  
UDIN: **F001788C000472313**

### **Annexure-IV**

Statement pursuant to sub Rule 5(2) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

Remuneration to Managerial Personnel:

Employees except Directors and KMPs

The Company had five (05) employees on standalone basis as of March 31, 2021. The percentage increase in remuneration, ratio of remuneration of each director and key managerial personnel (KMP) (as required under the Companies Act, 2013) to the median of employees' remuneration, and the list of top 10 employees in terms of remuneration drawn, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of Annexure IV to this Board's report. The statement containing particulars of employees employed throughout the year and in receipt of remuneration of INR 1.02 crore or more per annum and employees employed for part of the year and in receipt of remuneration of INR 8.5 lakh or more per month, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate exhibit forming part of this report and is available on the website of the Company i.e., [www.manjushreeindia.com](http://www.manjushreeindia.com). The link is <https://www.manjushreeindia.com/investor-relations>. The Annual Report and accounts are being sent to the shareholders excluding the aforesaid exhibit. Shareholders interested in obtaining this information may access the same from the Company website. In accordance with Section 136 of the Companies Act, 2013, this exhibit is available for inspection by shareholders through electronic mode.

Notes:

1. The employees mentioned in the aforesaid exhibit have / had permanent employment contracts with the Company.
2. The employees are neither relatives of any directors of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. The details of employees posted outside India and in receipt of a remuneration of INR 60 lakh or more per annum or INR 5 lakh or more a month can be made available on specific request.

**Annexure-V**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY:**  
(Pursuant to Section 135 of the Companies Act, 2013)

**THE ANNUAL REPORT ON CSR**

**ACTIVITIES**

- Brief outline on CSR Policy of the Company. The CSR Policy available in company's website <https://www.manjushreeindia.com/investor-relations>
- Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ashok Sudan	Independent Director	One	One
2	Mr. Surendra Kedia	Whole time Director Resigned with effector from 10/10/2020	One	One
3	Mr. Vinod Padikkal	Director Resigned with effector from 31/03/2021	One	One
4	Mr. Pankaj Patwari	Director	—	—
5	Mr. Sanjay Kapote	Managing Director and CEO	—	—

- Provide the web-link where Composition of CSR committee, CSR Policy. <https://www.manjushreeindia.com/investor-relations>.
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).- **Not Applicable.**

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2014-15	—	51,40542
2	2015-16	—	84,32,729
3	2016-17	—	1,17,23,027
4	2017-18	—	51,40542+84,32,729+1,17,23,027 -2,00,00,000=1,97,93,941
5	2018-19	—	146,72,463+1,97,93,941-191,00,00=15366404
6	2019-20	—	13931752+15366404-31275000=(19,76,844)
7	2020-21	—	15044883-13150000-19,76,884= (81,961)
	<b>TOTAL</b>	—	

5. Average net profit of the company as per section135(5). : Rs. 75,22,44,146/-
6. (a) Two percent of average net profit of the company as per section135(5) : Rs. 1,50,44,833/-
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years : NIL
- (c) Amount required to be set off for the financial year, if any. : NIL
- (d) Total CSR obligation for the financial year (7a+7b- 7c) : 1,50,44,833/-
7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
1,31,50,000/-	Amount	Date of transfer.	Name of the Fund	Amount (Rs.)	Date of transfer.
		NIL	Not Applicable	PM Care Fund	18,94,833

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SI.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount allocated for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District.			Name	CSR Registration Number
1.	Promoting Swachh Bharat Mission	Swachh Bharat	No	All over India		1,31,00,000	No	Pt. Deendayal Upaphyay Smriti Sansthan	In 2020-21 it was not mandatory, hence not obtained
2.	Help in COVID-19	Health	Yes	Himachal Pradesh (HP)	Solan	50,000	No	Bidadi Industries Association, HP	In 2020-21 it was not mandatory, hence not obtained
3.	PM Care Fund					18,94,833			
	<b>TOTAL</b>					<b>1,50,44,833</b>			

(b) Amount spent in Administrative Overheads : **NIL**(c) Amount spent on Impact Assessment, if applicable : **NIL**(d) Total amount spent for the Financial Year (8b+8c+8d+8e) : **NIL**(e) Excess amount for set off, if any : **NIL**

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

8. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.							
2.							
3.							
	<b>TOTAL</b>						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NIL**

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

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

**(Asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s). **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset. **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

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

Sd/-  
**Ashok Sudan**  
 DIN: 02374967  
 (Chairman CSR Committee)

Sd/-  
**Sanjay Kapote**  
 DIN: 07529860  
 (Managing Director and CEO)

## Annexure - VI

### FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangement or transactions at arm's length basis :

SL. NO.	PARTICULARS	Details
(a)	Name(s) of the related party and nature of relationship	: 1) Mr. Manu Anand (Mr. Manu) 2) Mr. Jayesh Merchant (Mr. Jayesh) 3) MTL New Initiatives Private Limited (MTLNIPL)
(b)	Nature of contracts / arrangements / transactions	: Mr. Manu and Mr. Jayesh drawing professional fees more than threshold limit. Sale of fixed assets/ stock and unsecured loan to MTL NIPL, wholly owned subsidiary of Manjushree Technopack Limited (Manjushree)
(c)	Duration of the contracts/arrangements/transactions	: Mr. Manu and Mr. Jayesh during the term of directorship. MTL NIPL till wholly owned subsidiary of Manjushree.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	: Mr. Manu and Mr. Jayesh drawing professional fees more than threshold limit. Sale of fixed assets/ stock and unsecured loan to MTL NIPL, wholly owned subsidiary of Manjushree.
(e)	Justification for entering into such contracts or arrangements or transactions	: Mr. Manu and Mr. Jayesh are experienced Directors and Manjushree will get benefit from their experience. MTL NIPL is doing its business in Silvassa and Bidadi, Karnataka and Nandyal, A.P
(f)	Date(s) of approval by the Board	: Mr. Manu -22-04-2019, Mr. Jayesh – 19-02-2020 MTL NIPL-17-06-2020
(g)	Amount paid as advances, if any:	: NIL
(h)	Date on which the ordinary resolution was passed in general meeting/postal ballot as required under first proviso to section 188.	: Mr. Manu- 06-06-2019, Mr. Jayesh 09-04-2020 MTL NIPL-not applicable as wholly owned subsidiary of Manjushree

for and on behalf of the Board

Bengaluru  
15th June, 2021

**Sanjay Kapote**  
Managing Director and CEO  
DIN: 07529860

**Ashok Sudan**  
Chairman  
DIN: 02374967

## INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF MANJUSHREE TECHNOPACK LIMITED

Report on the Audit of the Ind AS Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Manjushree Technopack Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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 a 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 Act with respect to the

preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 - Refer note 35 of the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- b. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Ahmedabad  
Date: 15 June 2021

For **Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 008072S)  
**Monisha Parikh**  
(Partner)  
(Membership No. 47840)  
(UDIN: 21047840AAAADD1050)

## **ANNEXURE A TO THE AUDITORS' REPORT**

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

### **Report on the Internal Financial Controls over Financial Reporting 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 Manjushree Technopack Limited ("the Company") as of 31 March 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 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.

Place: Ahmedabad  
Date: 15 June 2021

For **Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 008072S)  
**Monisha Parikh**  
(Partner)  
(Membership No. 47840)  
(UDIN: 21047840AAAADD1050)

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) In respect of the Company's Property, Plant and Equipment:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property Plant and Equipment.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment to cover all items once in a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, and based on the examination of the registered Memorandum of Entry(MoE) for title deed pledged as security for loans taken from banks provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease on which buildings have been constructed and disclosed as "Right of Use" asset in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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 other than unsecured working capital loan to its Wholly Owned Subsidiary, in respect of which:
- a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
  - c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund,

Employees' State Insurance, Income Tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Services Tax and cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable other than Professional tax which has not been deposited as at 31 March 2021, details of which are given below:

Name of Statute	Nature of Dues	Period to which the amount relates	Amount involved (Rs. in lakhs)
The Punjab State Development Tax Act, 2018	Professional Tax	April to August 2020	0.33

- (c) There are no dues of Customs Duty and Goods and Services Taxes at 31 March 2021 on account of disputes. Details of dues of Income Tax, which have not been deposited as at 31 March 2021 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Lakhs)	Amount unpaid (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2014-15, 2016-17, 2017-18	1,164.99	1,139.99

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and debenture holders. The Company has not taken loan from financial institutions and Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ahmedabad  
Date: 15 June 2021

For **Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 008072S)  
**Monisha Parikh**  
(Partner)  
(Membership No. 47840)  
(UDIN: 21047840AAAADD1050)

**STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021**

(₹ in lakhs except stated otherwise)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	43,704.04	38,955.67
(b) Right of use assets	2B	2,727.49	3,155.38
(c) Capital work-in-progress		4,154.32	4,830.55
(d) Investment Properties	2A	2,384.33	2,439.31
(e) Goodwill (refer note 34)		8,000.00	8,000.00
(f) Intangible assets	2	4,292.79	7,514.16
(g) Financial assets			
(i) Investments	5	247.41	1.00
(ii) Loans	3	8,755.01	-
(iii) Other financial assets	3	686.77	646.04
(h) Other non-current assets	4	4,358.00	2,785.59
<b>Total non-current assets</b>		<b>79,310.16</b>	<b>68,327.70</b>
<b>Current assets</b>			
(a) Inventories	6	23,931.57	22,831.30
(b) Financial assets			
(i) Trade receivable	7	19,538.56	18,720.95
(ii) Cash and cash equivalents	8	9.84	47.21
(iii) Other bank balances	9	29.54	1,283.08
(iv) Other financial assets	10	89.38	2,413.62
(c) Other current assets	11	2,886.90	6,369.72
<b>Total current assets</b>		<b>46,485.79</b>	<b>51,665.88</b>
<b>Total Assets</b>		<b>125,795.95</b>	<b>119,993.58</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	12A	1,371.86	1,371.86
(b) Other equity	12B	54,920.75	44,510.60
<b>Total equity</b>		<b>56,292.61</b>	<b>45,882.46</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	19,042.39	18,757.71
(ii) Lease liabilities	2C	992.12	1,342.85
(iii) Other financial liabilities	14	672.45	5,173.32
(b) Provisions	15	565.74	409.12
(c) Deferred tax liabilities (net)	16	766.95	688.18
<b>Total non-current liabilities</b>		<b>22,039.65</b>	<b>26,371.18</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	20,657.30	25,010.72
(ii) Lease liabilities	2C	396.30	384.04
(iii) Trade payable			
Due to Micro Enterprises and Small Enterprises	18	73.86	100.37
Other than Micro Enterprises and Small Enterprises	18	11,078.56	9,763.96
(iv) Other financial liabilities	19	11,352.19	11,706.84
(b) Provisions	20	1,310.82	103.39
(c) Other current liabilities	21	2,594.66	670.62
<b>Total current liabilities</b>		<b>47,463.69</b>	<b>47,739.94</b>
<b>Total Equity and Liabilities</b>		<b>125,795.95</b>	<b>119,993.58</b>
Company profile and background	1.A		
Significant accounting policies	1.D		
Notes on Standalone Financial Statements and other explanatory information	2 to 51		

As per our report of even date

for and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sanjay Kapote**  
Managing Director & CEO  
DIN: 07529860  
Place : Bengaluru  
Date : 15 June 2021

**Ashok Sudan**  
Chairman  
DIN: 02374967  
Place : Arizona, USA  
Date : 15 June 2021

**Monisha Parikh**  
Partner  
(Membership No. 47840)  
(UDIN: 21047840AAAADD1050)

**Biren Shah**  
Chief Financial Officer  
Place : Bengaluru  
Date : 15 June 2021

**Rasmi Ranjan Naik**  
Company Secretary  
Place : Bengaluru  
Date : 15 June 2021

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021**

Particulars	Note No.	(₹ in lakhs except stated otherwise)	
		Year Ended 31 March 2021	Year Ended 31 March 2020
<b>I. Revenue from operations</b>	<b>22</b>	103,379.37	108,113.05
<b>II. Other income</b>	<b>23</b>	699.98	1,647.76
<b>III. Total income (I +II)</b>		<b>104,079.35</b>	<b>109,760.81</b>
<b>IV. Expense</b>			
(a) Cost of materials consumed	<b>24</b>	51,924.19	63,153.57
(b) Purchase of stock in trade		613.69	762.26
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	<b>25</b>	2,361.42	(2,946.71)
(d) Employee benefits expense	<b>26</b>	9,219.65	8,349.07
(e) Other manufacturing expenses	<b>27</b>	12,423.26	12,904.98
(f) Finance cost	<b>28</b>	3,997.92	4,242.80
(g) Depreciation and amortisation expenses	<b>2</b>	7,549.44	6,539.22
(h) Other expenses	<b>29</b>	6,195.61	6,896.09
<b>Total expenses</b>		<b>94,285.18</b>	<b>99,901.28</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>9,794.17</b>	<b>9,859.53</b>
<b>VI. Exceptional items</b>	<b>46</b>	2,396.30	-
<b>VII. Profit before tax (V+VI)</b>		<b>12,190.47</b>	<b>9,859.53</b>
<b>VIII. Tax expense:</b>			
(i) Current tax		2,300.00	1,965.15
(ii) Current tax relating to earlier years		(230.68)	-
(iii) Deferred tax		78.77	885.93
<b>IX. Profit for the year (VII-VIII)</b>		<b>10,042.38</b>	<b>7,008.45</b>
<b>X. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of net defined benefit liability		(50.68)	(98.12)
(ii) Income tax relating to net defined benefit liability		12.76	25.15
<b>Total other comprehensive income/ (loss) for the year (net of taxes)</b>		<b>(37.92)</b>	<b>(72.97)</b>
<b>XI. Total Comprehensive Income</b>		<b>10,004.46</b>	<b>6,935.48</b>
Earnings (basic) per share in rupees (face value of Rs 10/- each) .		<b>73.85</b>	<b>51.19</b>
Earnings (diluted) per share in rupees (face value of Rs 10/- each) .		<b>73.68</b>	<b>50.69</b>
Company profile and background	1.A		
Significant accounting policies	1.D		
Notes on Standalone Financial Statements and other explanatory information	2 to 51		
The notes referred to above form an integral part of the Standalone Financial Statements			

As per our report of even date

for and on behalf of the Board of Directors

 For **Deloitte Haskins & Sells**  
 Chartered Accountants  
 (Firm's Registration No. 008072S)

**Sanjay Kapote**  
 Managing Director & CEO  
 DIN: 07529860  
 Place : Bengaluru  
 Date : 15 June 2021

**Ashok Sudan**  
 Chairman  
 DIN: 02374967  
 Place : Arizona, USA  
 Date : 15 June 2021

**Monisha Parikh**  
 Partner  
 (Membership No. 47840)  
 (UDIN: 21047840AAAADD1050)

**Biren Shah**  
 Chief Financial Officer  
 Place : Bengaluru  
 Date : 15 June 2021

**Rasmi Ranjan Naik**  
 Company Secretary  
 Place : Bengaluru  
 Date : 15 June 2021

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in lakhs except stated otherwise)

**A. Equity Share Capital (Refer Note 12 A)****A. Equity share capital**

Particulars	(Amount in ₹ in lakhs)
Balance as at 31 March, 2019	1,371.86
Changes in share capital during the year	-
Balance as at 31 March, 2020	1,371.86
Changes in share capital during the year	-
Balance as at 31 March, 2021	1,371.86

**B. Other Equity (Refer Note 12 B)**

Particulars	Reserves and Surplus				Employee Share-based Payments Outstanding	Other Comprehensive income/(loss)	Total
	Securities Premium	General Reserve	Retained Earnings	Equity component of compound financial instruments			
<b>Balance as at 1 April 2019</b>	2,735.32	1,300.00	31,363.91	-	-	(51.95)	35,347.28
Profit/(Loss) for the year	-	-	7,008.45				7,008.45
Equity component of compulsorily convertible debentures				1,901.70			1,901.70
Recognition of share-based payments	-	-	-		326.14	-	326.14
Other comprehensive income						(72.97)	(72.97)
<b>Balance as at 31 March 2020</b>	2,735.32	1,300.00	38,372.36	1,901.70	326.14	(124.92)	44,510.60
Profit/(Loss) for the period	-	-	10,042.38				10,042.38
Recognition of share-based payments					405.69		405.69
Other comprehensive income	-	-	-	-		(37.92)	(37.92)
<b>Balance as at 31 March 2021</b>	2,735.32	1,300.00	48,414.74	1,901.70	731.83	(162.84)	54,920.75

As per our report of even date

for and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sanjay Kapote**  
Managing Director & CEO  
DIN: 07529860  
Place : Bengaluru  
Date : 15 June 2021

**Ashok Sudan**  
Chairman  
DIN: 02374967  
Place : Arizona, USA  
Date : 15 June 2021

**Monisha Parikh**  
Partner  
(Membership No. 47840)  
(UDIN: 21047840AAAADD1050)

**Biren Shah**  
Chief Financial Officer  
Place : Bengaluru  
Date : 15 June 2021

**Rasmi Ranjan Naik**  
Company Secretary  
Place : Bengaluru  
Date : 15 June 2021

**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2021**

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit/(Loss) before tax</b>	12,152.55	9,786.56
Adjustments for:		-
Depreciation and amortisation expense	7,549.44	6,121.48
Loss on sale/discard of Property, plant and equipment (net)	40.22	118.29
Provision for doubtful trade receivables	123.06	92.34
Trade advances written off	56.55	0.68
Interest income	(80.40)	(86.31)
Sundry balances written back	(226.38)	-
Dividend income on short terms securities	-	(4.74)
Share-based payments	405.68	326.14
Finance costs	3,997.92	4,242.80
<b>Operating profit before working capital changes</b>	<b>24,018.64</b>	<b>20,597.24</b>
Adjustments for:		
Inventories	(1,100.26)	(1,514.98)
Trade receivables	(817.60)	5,361.63
Current and non current assets & other financial assets	2,821.04	(3,023.64)
Trade payables	1,514.46	(860.42)
Other current liabilities	(1,862.19)	-
Provisions	1,364.04	-
<b>Cash generated from operations</b>	<b>25,938.13</b>	<b>20,559.83</b>
Income taxes paid	(1,582.75)	(1,940.00)
<b>Net cash generated from operating activities</b>	<b>24,355.38</b>	<b>18,619.83</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment	(9,625.45)	(8,328.90)
Acquisition of business	(3,769.70)	(7,127.16)
Proceeds from sale of Property, plant and equipment	413.24	280.34
Purchase of Investment	(246.41)	(1.00)
Fixed deposits with banks matured	1,254.73	-
Unclaimed dividend paid	(1.19)	-
Dividend received	-	4.74
Interest received	104.19	86.31
<b>Net cash (used in) / generated from investing activities</b>	<b>(11,870.59)</b>	<b>(15,085.67)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	10,327.27	5,767.50
Repayment of long term borrowings	(7,617.38)	(9,598.18)
Proceeds from/(repayment) of short term borrowings (net)	(4,353.42)	3,227.36
Loan given to subsidiary	(6,425.13)	(2,329.88)
Proceeds from allotment of compulsorily convertible debentures	-	3,521.61

**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2021 (Contd...)**

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Repayment of lease liabilities	(534.27)	(374.87)
Allotment of Capital Grants	-	500.00
Interest paid	(3,919.23)	(4,242.80)
<b>Net cash (used in) / generated from financing activities</b>	<b>(12,522.16)</b>	<b>(3,529.26)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(37.37)</b>	<b>4.90</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>47.21</b>	<b>42.31</b>
<b>Cash and cash equivalents at the end of the year (refer Note No. 8)</b>	<b>9.84</b>	<b>47.21</b>
<b>Notes:</b>		
1. Cash and cash equivalents at the end of the year comprises of:		
Cash on hand	7.43	23.74
Balance with banks:		
In current accounts	2.41	23.47
<b>Total</b>	<b>9.84</b>	<b>47.21</b>

2. **Reconciliation of lease liabilities for the year ended 31 March 2021**

Particulars	As at 31 March 2020	Impact of Ind AS 116	Repayment changes	Fair value	As at 31 March 2021
Lease liabilities	1,726.88	195.81	(534.27)	-	1,388.42

**Reconciliation of lease liabilities for the year ended 31 March 2020**

Particulars	As at 31 March 2019	Impact of Ind AS 116	Repayment changes	Fair value	As at 31 March 2020
Lease liabilities	-	2,160.30	(374.87)	(58.55)	1,726.88

## 3. The above Statement of Cash Flow has been prepared under the Indirect Method as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date

for and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sanjay Kapote**  
Managing Director & CEO  
DIN: 07529860  
Place : Bengaluru  
Date : 15 June 2021

**Ashok Sudan**  
Chairman  
DIN: 02374967  
Place : Arizona, USA  
Date : 15 June 2021

**Monisha Parikh**  
Partner  
(Membership No. 47840)  
(UDIN: 21047840AAAADD1050)

**Biren Shah**  
Chief Financial Officer  
Place : Bengaluru  
Date : 15 June 2021

**Rasmi Ranjan Naik**  
Company Secretary  
Place : Bengaluru  
Date : 15 June 2021

**NOTES FROMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**
**NOTE '2' : Property, plant & equipment as at 31st March 2021**
**(I) Other than research & development**

(₹ in lakhs except stated otherwise)

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2020	Additions	Disposals	Closing as at 31 March 2021	Opening as at 1 April 2020	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2021	As At 31 March 2021	As At 31 March 2020
<b>A. Tangible Assets</b>										
1. Freehold Land	1,095.42	2.44	-	1,097.86	-	-	-	-	1,097.86	1,095.42
2. Leasehold Land	1,662.26	-	-	1,662.26	-	-	-	-	1,662.26	1,662.26
3. Building & Civil Works	12,309.78	213.61	28.51	12,494.88	3,851.34	343.30	7.49	4,187.15	8,307.73	8,458.44
4. Plant & Machinery	59,294.30	7,273.43	1,261.33	65,306.40	36,574.88	2,801.80	847.57	38,529.11	26,777.29	22,719.42
5. Utility Installations	6,657.54	1,076.26	-	7,733.80	4,241.80	301.80	-	4,543.60	3,190.20	2,415.74
6. Computer Systems	263.47	123.27	-	386.74	162.56	42.89	-	205.45	181.29	100.91
7. Furniture & Fixture	732.30	47.80	0.27	779.83	404.37	43.69	0.26	447.80	332.03	327.93
8. Vehicles	224.11	-	96.23	127.88	173.46	9.30	79.47	103.29	24.59	50.65
9. Other Equipment	2,524.41	221.79	3.53	2,742.67	1,184.11	172.65	1.63	1,355.13	1,387.54	1,340.30
<b>Total - A</b>	<b>84,763.59</b>	<b>8,958.60</b>	<b>1,389.87</b>	<b>92,332.32</b>	<b>46,592.52</b>	<b>3,715.43</b>	<b>936.42</b>	<b>49,371.53</b>	<b>42,960.79</b>	<b>38,171.07</b>
<b>B. Intangible Assets</b>										
10. Computer Software	175.54	-	-	175.54	140.43	12.08	-	152.51	23.03	35.11
11. Patents & Trade Marks	15,852.75	-	-	15,852.75	8,373.70	3,209.29	-	11,582.99	4,269.76	7,479.05
<b>Total - B</b>	<b>16,028.29</b>	<b>-</b>	<b>-</b>	<b>16,028.29</b>	<b>8,514.13</b>	<b>3,221.37</b>	<b>-</b>	<b>11,735.50</b>	<b>4,292.79</b>	<b>7,514.16</b>
<b>Grand Total (A+B)</b>	<b>100,791.88</b>	<b>8,958.60</b>	<b>1,389.87</b>	<b>108,360.61</b>	<b>55,106.65</b>	<b>6,936.80</b>	<b>936.42</b>	<b>61,107.03</b>	<b>47,253.58</b>	<b>45,685.23</b>

**(II) Research & Development**

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2020	Additions	Disposals	Closing as at 31 March 2021	Opening as at 1 April 2020	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2021	As At 31 March 2021	As At 31 March 2020
<b>A. Tangible Assets</b>										
1. Building & Civil Works	167.48	-	-	167.48	30.32	2.33	-	32.65	134.83	137.16
2. Plant & Machinery	1,711.28	19.93	-	1,731.21	1,147.70	58.12	-	1,205.82	525.39	563.58
3. Computer Systems	1.30	-	-	1.30	0.76	-	-	0.76	0.54	0.54
4. Furniture & Fixture	167.17	-	-	167.17	118.02	7.60	-	125.62	41.55	49.15
5. Other Equipment	117.96	13.30	-	131.26	83.79	6.53	-	90.32	40.94	34.17
<b>Total</b>	<b>2,165.19</b>	<b>33.23</b>	<b>-</b>	<b>2,198.42</b>	<b>1,380.59</b>	<b>74.58</b>	<b>-</b>	<b>1,455.17</b>	<b>743.25</b>	<b>784.60</b>
<b>Grand Total (I+II)</b>										
<b>A. Tangible Asset</b>	<b>86,928.78</b>	<b>8,991.83</b>	<b>1,389.87</b>	<b>94,530.74</b>	<b>47,973.11</b>	<b>3,790.01</b>	<b>936.42</b>	<b>50,826.70</b>	<b>43,704.04</b>	<b>38,955.67</b>
<b>B. Intangible Asset</b>	<b>16,028.29</b>	<b>-</b>	<b>-</b>	<b>16,028.29</b>	<b>8,514.13</b>	<b>3,221.37</b>	<b>-</b>	<b>11,735.50</b>	<b>4,292.79</b>	<b>7,514.16</b>
<b>Grand Total (I+II)</b>	<b>102,957.07</b>	<b>8,991.83</b>	<b>1,389.87</b>	<b>110,559.03</b>	<b>56,487.24</b>	<b>7,011.38</b>	<b>936.42</b>	<b>62,562.20</b>	<b>47,996.83</b>	<b>46,469.83</b>

## NOTES FROMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)

NOTE '2' : Property, plant &amp; equipment as at 31st March 2020

(I) Other than research &amp; development

(₹ in lakhs except stated otherwise)

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2019	Additions	Disposals	Closing as at 31 March 2020	Opening as at 1 April 2019	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2020	As At 31 March 2020	As At 31 March 2019
<b>A. Tangible Assets</b>										
1. Freehold Land	577.62	517.80	-	1,095.42	-	-	-	-	1,095.42	577.62
2. Leasehold Land	3,133.63	-	1,471.37	1,662.26	-	-	-	-	1,662.26	3,133.63
3. Building & Civil Works	9,817.83	2,491.95	-	12,309.78	3,577.82	273.52	-	3,851.34	8,458.44	6,240.01
4. Plant & Machinery	56,254.59	4,612.44	1,572.73	59,294.30	34,636.47	2,770.39	831.98	36,574.88	22,719.42	21,618.12
5. Utility Installations	6,283.48	539.88	165.82	6,657.54	4,012.79	285.98	56.97	4,241.80	2,415.74	2,270.69
6. Computer Systems	185.53	84.70	6.76	263.47	140.03	28.93	6.40	162.56	100.91	45.50
7. Furniture & Fixture	665.47	98.79	31.96	732.30	395.17	38.92	29.72	404.37	327.93	270.30
8. Vehicles	350.52	1.00	127.41	224.11	248.51	16.31	91.36	173.46	50.65	102.01
9. Other Equipment	2,087.76	484.07	47.42	2,524.41	1,077.61	141.96	35.46	1,184.11	1,340.30	1,010.15
<b>Total - A</b>	<b>79,356.43</b>	<b>8,830.63</b>	<b>3,423.47</b>	<b>84,763.59</b>	<b>44,088.40</b>	<b>3,556.01</b>	<b>1,051.89</b>	<b>46,592.52</b>	<b>38,171.07</b>	<b>35,268.03</b>
<b>B. Intangible Assets</b>										
10. Computer Software	139.18	36.36	-	175.54	126.62	13.81	-	140.43	35.11	12.56
11. Patents & Trade Marks	9,950.25	5,902.50	-	15,852.75	5,953.57	2,420.13	-	8,373.70	7,479.05	3,996.68
<b>Total - B</b>	<b>10,089.43</b>	<b>5,938.86</b>	<b>-</b>	<b>16,028.29</b>	<b>6,080.19</b>	<b>2,433.94</b>	<b>-</b>	<b>8,514.13</b>	<b>7,514.16</b>	<b>4,009.24</b>
<b>Grand Total (A+B)</b>	<b>89,445.86</b>	<b>14,769.49</b>	<b>3,423.47</b>	<b>100,791.88</b>	<b>50,168.59</b>	<b>5,989.95</b>	<b>1,051.89</b>	<b>55,106.65</b>	<b>45,685.23</b>	<b>39,277.27</b>

(II) Research &amp; Development

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2019	Additions	Disposals	Closing as at 31 March 2020	Opening as at 1 April 2019	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2020	As At 31 March 2020	As At 31 March 2019
<b>A. Tangible Assets</b>										
1. Building & Civil Works	167.48	-	-	167.48	27.99	2.33	-	30.32	137.16	139.49
2. Plant & Machinery	1,696.07	15.21	-	1,711.28	1,087.68	60.02	-	1,147.70	563.58	608.39
3. Computer Systems	0.80	0.50	-	1.30	0.76	-	-	0.76	0.54	0.04
4. Furniture & Fixture	167.17	-	-	167.17	110.42	7.60	-	118.02	49.15	56.75
5. Other Equipment	117.96	-	-	117.96	78.11	5.68	-	83.79	34.17	39.85
<b>Total</b>	<b>2,149.48</b>	<b>15.71</b>	<b>-</b>	<b>2,165.19</b>	<b>1,304.96</b>	<b>75.63</b>	<b>-</b>	<b>1,380.59</b>	<b>784.60</b>	<b>844.52</b>
<b>Grand Total(I+II)</b>										
<b>A. Tangible Asset</b>	<b>81,505.91</b>	<b>8,846.34</b>	<b>3,423.47</b>	<b>86,928.78</b>	<b>45,393.36</b>	<b>3,631.64</b>	<b>1,051.89</b>	<b>47,973.11</b>	<b>38,955.67</b>	<b>36,112.55</b>
<b>B. Intangible Asset</b>	<b>10,089.43</b>	<b>5,938.86</b>	<b>-</b>	<b>16,028.29</b>	<b>6,080.19</b>	<b>2,433.94</b>	<b>-</b>	<b>8,514.13</b>	<b>7,514.16</b>	<b>4,009.24</b>
<b>Grand Total(I+II)</b>	<b>91,595.34</b>	<b>14,785.20</b>	<b>3,423.47</b>	<b>102,957.07</b>	<b>51,473.55</b>	<b>6,065.58</b>	<b>1,051.89</b>	<b>56,487.24</b>	<b>46,469.83</b>	<b>40,121.79</b>

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd....)**

**NOTE '2A' : Investment Properties at 31st March 2021**

(₹ in lakhs except stated otherwise)

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block		
	Opening as at 1 April 2020	Additions	Disposals	Closing as at 31 March 2021	Accumulated Depreciation	Eliminated on disposal of assets	Closing as at 31 March 2021	As At 31 March 2021	As At 31 March 2020
Leasehold Land	998.53	-	-	998.53	-	-	-	998.53	998.53
Building & Civil Works	2,102.07	-	-	2,102.07	669.98	-	723.68	1,378.39	1,432.09
Utility Installations	26.19	-	-	26.19	17.50	-	18.78	7.41	8.69
	<b>3,126.79</b>	<b>-</b>	<b>-</b>	<b>3,126.79</b>	<b>687.48</b>	<b>-</b>	<b>742.46</b>	<b>2,384.33</b>	<b>2,439.31</b>

**NOTE '2A' : Investment Properties at 31st March 2020**

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block		
	Opening as at 1 April 2019	Additions	Disposals	Closing as at 31 March 2020	Accumulated Depreciation	Eliminated on disposal of assets	Closing as at 31 March 2020	As At 31 March 2020	As At 31 March 2019
Leasehold Land	998.53	-	-	998.53	-	-	-	998.53	998.53
Building & Civil Works	2,102.07	-	-	2,102.07	615.34	-	669.98	1,432.09	1,486.73
Utility Installations	26.19	-	-	26.19	16.22	-	17.50	8.69	9.97
	<b>3,126.79</b>	<b>-</b>	<b>-</b>	<b>3,126.79</b>	<b>631.56</b>	<b>-</b>	<b>687.48</b>	<b>2,439.31</b>	<b>2,495.23</b>

**NOTE "2A" : ADDITIONAL NOTES**

Investment properties comprises of factory, land and buildings (including installation) at Harohalli, Karnataka, which is leased for an initial lease period of 9 years with lock in period of 3 years ending in September 2021 and with an option of renewal on mutually agreeable terms. Subsequent renewals will be negotiated with the lessee depending on the market condition of Company's business.

**Amounts recognised in profit and loss for investment properties**      31 March 2021      31 March 2020

Rental income from investment properties      315.00      300.00

Less: Depreciation      54.98      55.92

Profit arising from investment properties before indirect expenses      260.02      244.08

**Estimation of fair value :** The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, accessibility, frontage and visibility. The aforesaid fair value is based on valuations performed by an accredited independent valuer.

**Fair Value of Investment Property**

	As at 31 March 2021	
	Level 2	Fair value
Land and Building		3,800.00
Utilities		7.41
	<b>As at 31 March 2020</b>	
Land and Building		3,800.00
Utilities		8.69

## NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)

(₹ in lakhs except stated otherwise)

### Methodology adopted

The underlying land parcel of the subject property has been valued using the Direct Comparison Approach and the value of built-up structures & site improvements in the property has been estimated using Depreciated Replacement Cost Method. The fair value measurement is categorized in level 2 fair value hierarchy.

### NOTE "2B" : Right of use (Assets) - As at March 31, 2021

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block As at March 31, 2021		
	Opening as at 1 April 2020	Recognised during the year	Deductions/ adjustment	As at March 31, 2021	As at April 1, 2020	Charge for the year		Deductions/ adjustment	
Leases- Land	1,471.37	-	-	1,471.37	18.09	18.09	-	36.19	1,435.18
Leases -Building	2,095.16	55.18	-	2,150.34	393.06	464.97	-	858.03	1,292.31
<b>Total</b>	<b>3,566.53</b>	<b>55.18</b>	<b>-</b>	<b>3,621.71</b>	<b>411.15</b>	<b>483.06</b>	<b>-</b>	<b>894.21</b>	<b>2,727.49</b>

### NOTE "2B" : Right of use (Assets) - As at March 31, 2020

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block As at March 31, 2020		
	Opening as at 1 April 2019	Recognised during the year	Deductions/ adjustment	As at March 31, 2020	As at April 1, 2019	Charge for the year		Deductions/ adjustment	
Leases- Land	-	1,471.37	-	1,471.37	-	18.09	-	18.09	1,453.28
Leases -Building	-	2,095.16	-	2,095.16	-	393.06	-	393.06	1,702.10
<b>Total</b>	<b>-</b>	<b>3,566.53</b>	<b>-</b>	<b>3,566.53</b>	<b>-</b>	<b>411.15</b>	<b>-</b>	<b>411.15</b>	<b>3,155.38</b>

### Note "2C": Lease Liabilities

	As at 31 March 2021	As at 31 March 2020
<b>Lease liabilities</b>		
Non-current lease liabilities	992.12	1,342.85
Current lease liabilities	396.30	384.04
Movement in lease liabilities		
Opening Lease Liability	1,726.88	-
Addition during the year	55.18	2,020.28
Finance Cost accrued during the year	140.63	140.02
Payment of Lease Liabilities	534.27	433.41
Closing Lease Liability	1,388.42	1,726.88
Maturity analysis of lease liabilities (Cash Outflow undiscounted)		
a. Not later than one year	504.15	521.46
b. Later than one year and not later than five years	1,086.26	1,278.77
c. Later than five years	99.94	360.96

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
 (₹ in lakhs except stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Financial Assets</b>		
<b>NOTE "3" : LOANS &amp; ADVANCES</b>		
<b>Non-Current</b>		
(Unsecured, considered good)		
Security deposits	431.31	424.99
Rental deposits	255.46	221.05
Due from Subsidiary (refer note 37)	8,755.01	-
<b>Total</b>	<b>9,441.78</b>	<b>646.04</b>
<b>NOTE "4" : OTHER NON-CURRENT ASSETS</b>		
<b>Non-Current</b>		
Capital advances	1,901.23	1,478.43
VAT refundable	3.44	3.44
Current tax assets (Net of Provision for tax) *	2,453.33	1,303.72
<b>Total</b>	<b>4,358.00</b>	<b>2,785.59</b>
* Includes Income Tax paid under protest of ₹ 25 lakhs (previous year ₹ 25 lakhs).		
<b>NOTE "5" : LONG TERM INVESTMENTS</b>		
<b>(Unquoted, at cost)</b>		
<b>(i) In wholly owned subsidiary</b>		
<b>MTL New Initiatives Private Limited</b>		
10000 Equity shares of Rs.10 each	1.00	1.00
<b>(ii) Others</b>		
<b>Four EF Renewables Private Limited</b>		
82,135 Equity shares of Rs.100 each	82.14	-
1,64,271 Compulsorily Convertible Preference Shares of Rs.100 each	164.27	-
<b>Total</b>	<b>247.41</b>	<b>1.00</b>
<b>Current Assets</b>		
<b>NOTE "6" : INVENTORIES</b>		
(At cost or net realisable value whichever is lower)		
Raw materials	12,612.64	9,308.34
Packing materials	487.74	544.62
Work-in-progress	456.25	315.11
Finished goods	8,640.13	11,221.58
Stock-in-trade	333.21	254.32
Stores, Spares and Consumables	1,401.60	1,187.33
<b>Total</b>	<b>23,931.57</b>	<b>22,831.30</b>

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**

(₹ in lakhs except stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Financial Assets</b>		
<b>NOTE "7" : TRADE RECEIVABLES</b>		
<b>Current</b>		
Unsecured, considered good	19,538.56	18,720.95
Unsecured, considered doubtful	348.18	225.12
	19,886.74	18,946.07
Less : Expected credit loss provision	348.18	225.12
<b>Total</b>	<b>19,538.56</b>	<b>18,720.95</b>
The average credit period on sales of goods is ranging from 1 to 120 days		
<b>Movement in Expected Credit Loss Allowance:</b>		
Balance at the beginning of the year	225.12	153.93
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	163.10	114.65
Less: Bad debts written off	0.57	17.78
Less: Collected against opening provision	39.47	25.68
Balance at the end of the year	348.18	225.12
<b>NOTE "8" : CASH AND CASH EQUIVALENTS</b>		
Cash on hand	7.43	23.74
<b>Balances with banks</b>		
In Current accounts	2.41	23.47
<b>Total</b>	<b>9.84</b>	<b>47.21</b>
<b>NOTE "9" : OTHER BANK BALANCES</b>		
Margin money deposit against Bank Guarantee and Letters of credit	20.41	1,272.76
Term deposit	0.25	0.25
Unclaimed dividend accounts	8.88	10.07
<b>Total</b>	<b>29.54</b>	<b>1,283.08</b>
<b>NOTE "10" : OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
Interest accrued but not received	19.44	43.23
EXIM Scrips Receivable	69.94	40.51
Due from Subsidiary	-	2,329.88
<b>Total</b>	<b>89.38</b>	<b>2,413.62</b>

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
 (₹ in lakhs except stated otherwise)

Particulars	As at	
	31 March 2021	31 March 2020
<b>NOTE "11" : OTHER CURRENT ASSETS</b>		
Balances with government authorities		
Customs duty deposit	84.92	18.89
Current tax assets (Net of Provision for tax)		412.00
GST receivable	432.47	957.18
Other deposit	12.30	12.29
<b>Total A</b>	<b>529.69</b>	<b>1,400.36</b>
<b>Other loans and advances</b>		
Prepaid expenses	481.41	442.06
Advance to employees	7.83	19.69
Advance to suppliers	1,840.55	4,488.35
Earnest money deposit	27.42	19.26
<b>Total B</b>	<b>2,357.21</b>	<b>4,969.36</b>
<b>Total (A+B)</b>	<b>2,886.90</b>	<b>6,369.72</b>

Particulars	As at		As at	
	31 March 2021		31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount

**NOTE "12A" : SHARE CAPITAL**

**Authorised capital**

Equity shares of ₹ 10/- each (previous year ₹ 10/- each)	1,50,00,000	1,500.00	1,50,00,000	1,500.00
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**Issued, subscribed and paid-up capital**

Equity shares of ₹ 10/- each (previous year ₹ 10/- each)				
Fully called and paid up in cash	1,35,47,700	1,354.77	1,35,47,700	1,354.77
Add: Forfeited shares (amount originally paid up)	2,39,500	17.09	2,39,500	17.09

(239,500 equity shares have been forfeited on 30.09.1997 for non-payment of allotment money)

<b>Total</b>		<b>1,371.86</b>		<b>1,371.86</b>
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**(i) Reconciliation of no. of Equity Shares outstanding at the beginning and at the end of the current period:**

Particulars	No. of Shares		Amount	
	At beginning	At end	At beginning	At end
<b>Equity shares of face value ₹ 10/- each</b>				
As at beginning of the year	1,35,47,700	1,35,47,700	1,354.77	1,354.77
Add: number of shares issued during the year	-	-	-	-
Less: number of shares bought back during the year	-	-	-	-
<b>As at end of the year</b>	<b>1,35,47,700</b>	<b>1,35,47,700</b>	<b>1,354.77</b>	<b>1,354.77</b>

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**

(₹ in lakhs except stated otherwise)

**(ii) Share holders holding more than 5% equity shares in the Company:**

Class of share / Name of the shareholder	No of Shares held	% of Shares held	No of Shares Held	% of Shares held
Equity shares of face value ₹ 10/- each				
AI lenarco midco limited	1,31,73,990	97.24%	1,04,64,450	77.24%
Hitech creations private limited	-	-	9,50,768	7.02%
Mphinite solutions private limited	-	-	11,63,457	8.59%

(iii) The Company has only one class of shares. Each Equity Share holder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Particulars	As at 31 March 2021	As at 31 March 2020
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**NOTE "12B" : OTHER EQUITY****General Reserve:**

Balance as at the beginning of the year.	1,300.00	1,300.00
Add/(Less): Transferred from current period surplus	-	-
<b>Balance as at the end of the year</b>	<b>1,300.00</b>	<b>1,300.00</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Securities Premium:**

Balance as at the beginning of the year	2,735.32	2,735.32
Add/(Less) : Premium on Fresh Issue of Shares	-	-
<b>Balance as at the end of the year</b>	<b>2,735.32</b>	<b>2,735.32</b>

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Companies Act, 2013.

**Equity component of compulsorily convertible debentures**

Balance as at the beginning of the year	1,901.70	1,901.70
Add/(Less) : Issue and conversion of Compulsorily Convertible Debentures -Equity Component	-	-
<b>Balance as at the end of the year</b>	<b>1,901.70</b>	<b>1,901.70</b>

**Retained Earnings**

Balance as at the beginning of the year	38,247.44	31,311.96
Add/(Less): Net Profit after tax transferred from Statement of Profit and Loss	10,004.46	6,935.48
<b>Balance as at the end of the year</b>	<b>48,251.90</b>	<b>38,247.44</b>

Retained earnings: The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the Standalone Statement of Profit and Loss to the Retained earnings.

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
 (₹ in lakhs except stated otherwise)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non Current	Current	Non Current
<b>Financial liabilities</b>				
<b>NOTE "13" : NON-CURRENT BORROWINGS</b>				
<b>Secured</b>				
<b>Term loans</b>				
(i) Rupee term loan (refer note 13.1 below)	8,155.74	17,820.66	5,997.02	15,682.11
(ii) Buyer's credit (refer note 13.2 below)	-	-	-	1,587.37
(iii) Compulsorily convertible debentures (refer note 13.3 below)	316.69	1,221.73	131.68	1,488.23
<b>Total</b>	<b>8,472.69</b>	<b>19,042.39</b>	<b>6,128.70</b>	<b>18,757.71</b>

**Note 13.1:**

Particulars	Current	Non-current	Current	Non-current	Repayable in number of installments	Repayment commencing from	Rate of interest in %	Number of installments remaining	Security
	31 March 2021		31 March 2020						
Term Loan 3 -SBI	387.00	-	1,890.00	394.76	28	Sep-13	7.90%	1	Hypothecation of Company's present and future movable fixed assets comprising Plant and Machineries, Equipment, etc. along with equitable mortgage of immovable properties located at Bengaluru, Baddi, Pantnagar, and Amritsar.
Term Loan 6 -SBI	-	-	81.67	-					
Term Loan 8 - SBI	173.20	215.96	173.00	389.20	24	May-17	7.90%	9	
Term Loan 9 - SBI	484.00	528.93	484.00	1,091.58	24	May-17	7.90%	9	
Term Loan 8-II - SBI	128.80	160.24	128.67	289.04	24	May-17	7.90%	9	
Term Loan 9-II - SBI	484.00	596.14	484.00	1,080.23	24	May-17	7.90%	9	
Term Loan 12 - SBI	1,027.00	1,439.65	1,027.00	1,896.80	22	Mar-18	7.90%	11	
ICICI Term Loan I & II	2,254.30	2,807.14	1,440.30	5,061.37	24	Nov-17	7.95%	9	
KMB Term Loan 1 & 2	1,717.44	6,447.60	288.38	5,479.13	20	Feb-21	7.70%	19	
HDFC Term Loan	1,500.00	5,625.00			20	Jan-21	7.50%	19	
<b>Total</b>	<b>8,155.74</b>	<b>17,820.66</b>	<b>5,997.02</b>	<b>15,682.11</b>					

**Note 13.2:** Buyer's Credit represents liability for capital goods settled on the basis of letters of credit issued by State Bank of India. Security for the said Buyer's credit are same as stated above in Note 13.1.

**Note 13.3:** During the year 2019-20, the Company issued 35,21,614 Compulsory Convertible Debentures ("CCD") at par with face value of Rs. 100 each amounting to Rs.35,21.61 lakhs. The "CCD" has a tenure of 8 years and is convertible into 2,15,000 equity shares at the earlier of: (i) the exercise of the option to convert the CCDs into Equity Shares by the Investor; or (ii) the expiry of tenor. The simple interest rate of 9% is payable on the value of CCD on half yearly basis. The Company has classified the "CCD" as compound financial instrument and has computed debt and equity element and disclosed the same accordingly.

**NOTE "14" : OTHER FINANCIALS LIABILITIES**
**Non-Current**

Rental deposit	97.28	89.06
Security deposit	29.92	40.00
Gratuity (refer note 40)	545.25	482.57
Deferred purchase consideration	-	4,559.18
Deferred Rent	-	2.51
<b>Total</b>	<b>672.45</b>	<b>5,173.32</b>

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**

(₹ in lakhs except stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>NOTE "15" : NON-CURRENT PROVISIONS</b>		
Compensated absences	565.74	409.12
<b>Total</b>	<b>565.74</b>	<b>409.12</b>
<b>NOTE "16" : DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax assets</b>		
Gratuity	144.94	144.73
Compensated absences	164.19	131.33
Other employee benefits	111.84	120.33
Provision for doubtful trade receivables	87.63	23.66
Provision for expenses	45.61	-
<b>Total A</b>	<b>554.21</b>	<b>420.05</b>
<b>Deferred Tax Liabilities</b>		
Depreciation on property, plant and equipment/amortisation of goodwill	984.15	1,108.23
Right of Use Assets	337.01	-
<b>Total B</b>	<b>1,321.16</b>	<b>1,108.23</b>
<b>Deferred Tax Liabilities (Net) (B-A)</b>	<b>766.95</b>	<b>688.18</b>
<b>Financial Liabilities</b>		
<b>NOTE "17" : CURRENT BORROWINGS</b>		
<b>Current, secured ( refer Note 17.1 below )</b>		
Working capital loans	20,657.30	25,010.72
<b>Total</b>	<b>20,657.30</b>	<b>25,010.72</b>

Note 17.1 : Working Capital loans from banks are secured pari passu against property, plant and equipment, and current assets of the Company, present and future.

Particulars	As at 31 March 2021	As at 31 March 2020
<b>NOTE "18" : TRADE PAYABLE</b>		
<b>Current</b>		
Due to Micro Enterprises and Small Enterprises (refer note below)	73.86	100.37
Other than Micro Enterprises and Small Enterprises	11,078.56	9,763.96
<b>Total</b>	<b>11,152.42</b>	<b>9,864.33</b>

**Note :****Due to Micro Enterprises and Small Enterprises**

Details relating to dues to Micro and Small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the Management and relied upon by the

**NOTES FORMING PART OF THE STANDALONE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**

(₹ in lakhs except stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
Auditors'. The Company has not received any claim for interest from any supplier under the said Act. The following table provides the details:		
The principal amount remaining unpaid to any supplier as at the end of each accounting year.	73.86	100.37
Interest due there on remaining unpaid to any supplier at the end of each accounting year.	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.		
<b>NOTE "19" : OTHER FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Current maturities of Long term borrowings (refer note 13)	8,472.69	6,128.70
Interest accrued but not due on borrowings	1.20	63.15
Creditors for capital goods	748.29	1,635.32
Gratuity (Refer note 40)	30.63	82.23
Derivatives on foreign exchange forward contracts	2.64	5.65
Deferred purchase consideration (refer note 39)	2,087.86	3,781.72
Unclaimed dividends	8.88	10.07
<b>Total</b>	<b>11,352.19</b>	<b>11,706.84</b>
<b>NOTE "20" : PROVISIONS</b>		
<b>Current</b>		
Compensated absences	86.63	103.39
Provision for Income Tax (net of advance tax)	1,224.19	-
<b>Total</b>	<b>1,310.82</b>	<b>103.39</b>
<b>NOTE "21" : OTHER CURRENT LIABILITIES</b>		
<b>Statutory Liabilities</b>		
(i) Tax deducted at source	106.82	131.67
(ii) Other statutory liabilities	154.35	159.08
Advance from customers	2,330.98	372.31
Unearned Rental Income	2.51	7.56
<b>Total</b>	<b>2,594.66</b>	<b>670.62</b>

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in lakhs except stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>NOTE "22" : REVENUE FROM OPERATIONS</b>		
<b>Products</b>		
Domestic (Refer note no. 22(i) below)	91,227.60	95,159.04
Exports	4,173.83	4,594.83
<b>Other operating income</b>		
Job-work income	7,320.44	7,893.04
Sale of Export incentive scrips	113.19	115.70
Storage and goods handling income	347.04	192.39
Design and Development Services	81.95	23.68
Discount and rebates	36.74	108.63
Miscellaneous receipts	78.58	25.74
<b>Total</b>	<b>1,03,379.37</b>	<b>1,08,113.05</b>

**Notes 22 (i)** The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time from sale of PET preforms, plastic containers & shrink film which constitutes a single operating business segment (Refer Note 48)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>NOTE "23" : OTHER INCOME</b>		
<b>A. Interest</b>		
On margin money deposits	42.83	62.23
On other deposits	37.57	24.08
<b>Total (A)</b>	<b>80.40</b>	<b>86.31</b>
<b>B. Dividend Income</b>		
Dividend Income from Mutual funds	-	4.74
<b>Total (B)</b>	<b>-</b>	<b>4.74</b>
<b>C. Other Non-Operating Income</b>		
Profit on Sale of Property, Plant and Equipment	-	1,114.87
Rental income	315.00	300.00
Profit on sale of Mutual Funds	11.26	13.18
Foreign currency exchange gain (Net)	66.94	128.66
Sundry creditor's balance written back	226.38	-
<b>Total (C)</b>	<b>619.58</b>	<b>1,556.71</b>
<b>Total (A+B+C)</b>	<b>699.98</b>	<b>1,647.76</b>

**NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021 (Cond.)**

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "24" : COST OF MATERIALS CONSUMED</b>		
Opening Stock - Raw Materials	9,308.34	10,839.04
Opening Stock - Packing Materials	544.62	804.14
Add: Purchase of Raw Materials (Net of Returns)	51,053.71	57,569.79
Add: Purchase of Packing Materials (Net of Returns)	4,117.90	3,793.56
	<b>65,024.57</b>	<b>73,006.53</b>
Less: Closing Stock - Raw Materials	12,612.64	9,308.34
Less: Closing Stock - Packing Materials	487.74	544.62
<b>Cost of Materials Consumed</b>	<b>51,924.19</b>	<b>63,153.57</b>
<b>NOTE "25" : CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
Opening stock of finished goods	11,221.58	8,559.54
Opening stock-in-trade	254.32	284.76
Opening stock of work-in-progress	315.11	-
Less : Closing stock of finished goods	8,640.13	11,221.58
Less : Closing stock-in-trade	333.21	254.32
Less : Closing stock of work-in-progress	456.25	315.11
<b>Net (Increase) / Decrease</b>	<b>2,361.42</b>	<b>(2,946.71)</b>
<b>NOTE "26" : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and allowances	7,563.45	6,770.55
Directors' remuneration	410.12	491.44
Contribution to Provident and other funds	458.61	422.89
Share-based payments (Refer note 42)	405.68	326.14
Staff welfare expenses	381.79	338.05
<b>Total</b>	<b>9,219.65</b>	<b>8,349.07</b>
<b>NOTE "27" : OTHER MANUFACTURING EXPENSES</b>		
Power and Fuel charges	6,301.49	7,380.45
<b>Repairs &amp; Maintenance</b>		
Building & Civil Works	219.69	145.80
Plant & Machinery	182.10	171.62
Others	215.44	183.73
<b>Others</b>		
Job work charges	69.59	25.15
Labour charges	3,930.77	3,734.81
Water charges	4.53	5.12
Consumable & Stores	1,163.49	983.46
Freight and Transportation	336.16	274.84
<b>Total</b>	<b>12,423.26</b>	<b>12,904.98</b>

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021 (Cond.)

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "28" : FINANCE COST</b>		
<b>A) Interest cost</b>		
On Rupee Loans - Term Loans	2,044.32	1,569.87
- Cash Credit	1,268.28	1,754.17
On FCNRB Loans - Term Loans	28.34	28.34
On Buyer's credit	9.05	76.60
On bill discounting	255.21	392.04
Others	181.23	54.48
Realsised loss on Forward Contracts	30.02	107.80
Lease liabilities	140.63	139.56
<b>B) Other borrowing cost</b>		
Bank commission and charges	40.84	119.94
<b>Total</b>	<b>3,997.92</b>	<b>4,242.80</b>
<b>NOTE "29" : OTHER EXPENSES</b>		
Business acquisition expenses	-	256.00
Rent	77.83	103.25
Rates, taxes and other fees	237.32	147.95
Insurance premium	290.93	282.84
Conveyance	113.25	142.85
Vehicles running and maintenance	71.53	85.93
Telephone charges	58.08	54.05
Printing and stationery	41.61	39.62
Postage and telegrams	60.31	49.31
Professional charges	788.22	960.34
Commission to directors	117.50	103.87
Electricity charges	21.96	24.63
Membership and subscription	27.91	50.38
Computer maintenance	159.46	102.27
Hire charges of equipments	32.61	30.95
<b>Auditors Remuneration</b>	-	-
- as auditor	24.75	17.50
- for taxation matters	-	4.00
- for other services	-	12.15
Security service charges	150.83	135.01
Travelling expenses	166.60	406.19
Provision for doubtful trade receivables	123.06	92.34
Trade advances written off	56.55	0.68
Loss on Property, plant and equipment sold / discarded (net)	40.22	66.16
Corporate Social Responsibility	131.50	316.25
Advertisement , publicity and sales promotion	77.26	229.15
Freight outwards	3,255.08	3,129.66
Miscellaneous expenses	71.24	52.76
<b>Total</b>	<b>6,195.61</b>	<b>6,896.09</b>

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
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### NOTE: 30 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

#### (a) Accounting classifications and fair values

The financial assets and financial liabilities of the Company are of Level III category except for forward contracts derivative instruments which are classified as Level II. The following table shows the carrying amounts and fair values of the financial assets and liabilities.

PARTICULARS	As at 31 March 2021 Carrying amount / Fair Value	As at 31 March 2020 Carrying amount / Fair Value
<b>Financial assets measured at amortised cost</b>		
Trade receivables	19,538.56	18,720.95
Cash and cash equivalents	9.84	47.21
Other bank balance	29.54	1,283.08
Security deposits	431.31	424.99
Rental deposits	255.46	221.05
Due from Subsidiary	8,755.01	-
Other financial assets	89.38	2,413.62
<b>Total</b>	<b>29,109.09</b>	<b>23,110.89</b>
<b>Financial liabilities measured at amortised cost</b>		
Borrowings	48,172.37	49,897.13
Lease deposits	97.28	89.06
Security deposits	29.92	40.00
Deferred rent	-	2.51
Trade payable	11,152.42	9,864.34
Other financial liabilities	2,876.86	5,572.49
Lease liabilities	1,388.42	1,726.88
<b>Financial liabilities measured at fair value</b>		
Forward contracts payable (net of receivable)	2.64	5.65
<b>Total</b>	<b>63,719.91</b>	<b>67,198.06</b>

#### Note: 30(i)

The Management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### Note: 30 (ii)

The Forward contracts have been taken by the Company for hedging its foreign currency exposures for both receivable and payable in foreign currencies, and its fair value has been determined based on the forward rate provided by the bank for outstanding forward contracts.

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

### NOTE: 31 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk (refer note (b) below)
- liquidity risk (refer note (c) below)
- market risk (refer note (d) below)

#### (a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans to related parties and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

##### (i) Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Deposits mainly consist of deposits made to government entities.

##### ***Expected credit loss (ECL) assessment for customers***

The Company provides for loss allowance on trade receivables based on life-time expected credit loss. For the assessment of life-time expected credit loss, assets are classified into three categories as Standard and doubtful based on the counter-party's capacity to meet the obligations and provision is determined accordingly. Standard assets are those where the risk of default is negligible. Doubtful assets are those where the credit risk is significantly increased / are impaired. Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to repay the Company, as per the agreed terms. Where loans or receivables have been written off, the Company continues to engage in recovery of the receivables due. Where recoveries are made, these are recognized in Statement of Profit and Loss.

(₹ in lakhs except stated otherwise)

**(ii) Cash and cash equivalents**

The Company holds cash and cash equivalents of ₹ 9.84 lakhs at 31 March 2021 (31 March 2020: ₹ 47.21 lakhs).

The cash and cash equivalents are mainly held with nationalised banks which have a very low risk of default.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring losses or causing damage to the Company's reputation.

**Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2021	Carrying amount	Total	0–12 months	1–5 years	More than 5 years
Borrowings	48,172.37	48,172.37	29,129.99	19,042.38	-
lease liabilities	1,388.42	1,388.42	396.30	911.93	80.19
Lease deposits	97.28	97.28	-	-	97.28
Security deposits	29.92	29.92	29.92	-	-
Trade payables	11,152.42	11,152.42	11,152.42	-	-
Other payables	2,879.50	2,879.50	2,879.50	-	-
	<b>63,719.91</b>	<b>63,719.91</b>	<b>43,588.13</b>	<b>19,954.31</b>	<b>177.47</b>

As at 31 March 2021	Carrying amount	Total	0–12 months	1–5 years	More than 5 years
Borrowings	49,897.13	49,897.13	31,139.42	18,757.71	-
lease liabilities	1,726.88	1,726.88	381.79	1,034.82	310.27
Lease deposits	89.06	89.06	-	-	89.06
Security Deposit	40.00	40.00	40.00	-	-
Trade payables	9,864.34	9,864.34	9,864.34	-	-
Other payables	5,578.14	5,578.14	5,578.14	-	-
	<b>67,195.55</b>	<b>67,195.55</b>	<b>47,003.68</b>	<b>19,792.53</b>	<b>399.32</b>

**NOTE: 33 MARKET RISK**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**i) Currency risk**

Majority of the transactions entered into the company are denominated in INR. However, for certain transactions which are entered in foreign currency, the Company enters into forward exchange contract to mitigate the risks associated with foreign currency fluctuations.

**Outstanding forward contracts**

i. Outstanding short term forward exchange contracts entered into by the Company on account of payables:

(₹ in lakhs except stated otherwise)

As at	No. of Contracts	Currency	Amount
31 March 2021	7	USD	744.45
31 March 2020	8	USD	936.28
31 March 2020	1	JPY	406.41

ii. Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of receivables:

As at	No. of Contracts	Currency	Amount
31 March 2021	5	USD	327.86
31 March 2020	24	USD	1,536.49

ii) **Interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :-

	31 March 2021	31 March 2020
Variable rate borrowings	48,172	49,897
<b>Total Borrowings</b>	<b>48,172</b>	<b>49,897</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant

	Impact on Profit or Loss
	1% increase or decrease
<b>31 March 2021</b>	
Variable rate borrowings	481.72
<b>31 March 2020</b>	
Variable rate borrowings	498.97

**NOTE "34": ASSESSMENT OF IMPAIRMENT OF GOODWILL**

Goodwill is tested for impairment at least annually. Impairment is recognized, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years and then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital".

The key assumptions are as follows:

Assumptions	As at 31-03-2021
Terminal growth rate (%)	4%
Discount rate (%)	14%

As at 31 March 2021 the estimated recoverable amount of the Cash Generating Unit exceeded it's carrying amount and accordingly, no impairment was recognized.

**NOTE “35”: CONTINGENT LIABILITIES**

(₹ in lakhs except stated otherwise)

Particulars	As on 31 March 2021			As on 31 March 2020		
	Total liability	Margin/ deposits	Net liability	Total liability	Margin/ deposits	Net liability
Disputed liability towards income taxes under appeals relating to disallowance of expenditure and allowance for depreciation.	1,164.99	25.00	1,139.99	1,164.99	25.00	1,139.99

Future cash flows in respect of above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Company is confident that the above appeals are sustainable at law.

**NOTE “36”: CAPITAL COMMITMENTS**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	19,852.78	7,474.79

**NOTE “37”: RELATED PARTY DISCLOSURES**

- A) Al Lenarco Midco Limited, Holding company  
 MTL New Initiatives Private Limited , Subsidiary (w.e.f 01.01.2020)
- B) **Enterprises in which Directors have significant influence**
- Mphinite Solutions Private Limited, (upto 10/10/2020)
  - Manjushree Fincap Private Limited, (upto 10/10/2020)
  - Shruti Financial Services Private Limited, (upto 10/10/2020)
  - Hitech Creations Private Limited, (upto 10/10/2020)
- C) **Key managerial person (KMP)**
- Vimal Kedia, (upto 10/10/2020)
  - Surendra Kedia, (upto 10/10/2020)
  - Sanjay Kapote, Managing Director & CEO
- D) **Relatives of Key managerial person (KMP)**
- Rajat Kedia (upto 10/10/2020)
  - Ankit Kedia (upto 10/10/2020)

Nature of transactions and related parties	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Sale of property, plant and equipment		
MTL New Initiatives Private Limited	313.55	872.69
Mphinite Solutions Private Limited	8.50	-
Hitech Creations Private Limited	-	14.60
Manjushree Fincap Private Limited	-	7.14
Shruti Financial Services Private Limited	-	10.07
(ii) Sale of raw material		
MTL New Initiatives Private Limited	222.86	75.00

(₹ in lakhs except stated otherwise)

Nature of transactions and related parties	Year Ended March 31, 2021	Year Ended March 31, 2020
(iii) Other cross charges (rent and other operating expenses) reimbursed		
MTL New Initiatives Private Limited	362.41	1,174.01
(iv) Purchase of finished goods		
MTL New Initiatives Private Limited	159.18	-
(v) Remuneration / Commission paid to Directors		
Vimal Kedia	103.59	202.95
Surendra Kedia	60.42	76.88
Sanjay D Kapote	242.69	211.61
(vi) Rent expense		
Hitech Creations Private Limited	-	1.94
(viii) Loan given		
MTL New Initiatives Private Limited	6,425.13	2,329.88
(ix) Travelling expenses reimbursed		
Relative of key managerial person		
Ankit Kedia	-	6.82
Nature of transactions and related parties	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Receivable from related parties</b>		
(i) MTL New Initiatives Private Limited		
Loan receivable	8,755.01	2,329.88
Trade receivable (net)	174.44	-
<b>Payable to related parties</b>		
Towards reimbursement of travelling expenses		
Vimal Kedia	-	3.18
Surendra Kedia	-	0.99
Rajat Kedia	-	0.69

Note - Remuneration to KMP does not include provision for gratuity and compensated absences, which are determined based on actuarial valuation for the Company as a whole.

#### **NOTE "38": ACQUISITION OF PEARL POLYMERS LIMITED**

The Company entered into a Business Transfer Agreement dated 21 September 2020 (as amended on 8 April 2021), to acquire the business of Pearl Polymers Limited (PPL) for an initial purchase consideration of Rs. 9,250 lakhs.

Under the agreement, the Company will acquire the immovable properties, certain items of Plant & machinery, Intellectual property rights for certain designs, and certain customer contracts. Certain identified employees of PPL will also be transferred to the Company. As contained in the agreement, the initial purchase consideration as mentioned above will be adjusted for working capital position as at date of acquisition, to determine the net amount to be paid.

The Company and PPL have mutually agreed that the date of acquisition will be 12 April 2021. As per the agreement the working capital position as at 12 April 2021 will have to be determined by 27 May 2021. (Exact working capital position as at 12 April 2021 is yet to be determined.) Subsequent to the year end, the Company has paid Rs. 7,960 lakhs.

(₹ in lakhs except stated otherwise)

**NOTE “39”: ACQUISITION OF “NATIONAL PLASTICS” (NAPLA)**

- A) During the previous year, the Company had acquired in scheme of slump sale, a running unit engaged in the business of manufacturing, marketing, and distributing of sprayers, pumps, dispensers and triggers under the name of “National Plastics” situated at Amritsar, Punjab pursuant to Business Transfer Agreement signed on 21 October 2019, at a consideration of ₹ 169,37.79 lakhs including earn payout consideration of ₹ 3,000 lakhs. The acquisition was accounted for in accordance with IndAs 103, “Business Combination”. The consideration transferred for the acquisition comprised of:
- (i) Fair values of the assets transferred, reduced by
- (ii) Liabilities incurred to the former owners of the acquired business. The total fair value of net assets taken over by the Company was around ₹ 2,390.55 lakhs excluding intangible assets. However it includes fair value of tangible fixed assets taken over of ₹ 1,568.07 lakhs. The Company had recognised total intangible assets of ₹ 13,902.99 lakhs, of which, goodwill was ₹ 8,000 lakhs.

B) (₹ in lakhs)

Particulars	Fair value recognized on acquisition
Property, plant and equipment	1,568.07
Intangible assets (patent, trade marks, customer contracts and brand)	13,902.99
Stock-in trade	287.59
Financial assets	861.79
<b>Total assets</b>	<b>16,620.44</b>
<b>Liabilities</b>	
Financial liabilities	326.91
<b>Total liabilities</b>	<b>326.91</b>
<b>Total identifiable net assets at fair value</b>	<b>16,293.53</b>
<b>Purchase consideration</b>	<b>16,293.53</b>

- C) The Company had recognised fair value of assets and liabilities as above in the Balance Sheet in the year 2019-20.
- D) **Deferred consideration**  
 As per terms of the Business Transfer Agreement, amount of ₹ 5,062 lakhs were deferred which was agreed to be paid on meeting certain terms and conditions in two installments of ₹ 2,062 lakhs and ₹ 3,000 lakhs, respectively. Further, deferred consideration was discounted to present value and recognized at amortised cost in the books as at 31 March 2020.

**NOTE “40”: EMPLOYEE BENEFITS**

Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan (“The Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Companies under their respective Group Gratuity Schemes.

(₹ in lakhs except stated otherwise)

The disclosure in respect of the defined gratuity plan are given below:  
 able showing changes in present value of obligations:

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Present value of the obligation at the beginning of the period	745.59	501.04
Interest cost	50.27	33.82
Current service cost	118.88	129.01
Benefits paid (if any)	(73.05)	(67.11)
Actuarial (gain)/loss	(60.54)	148.83
Present value of the obligation at the end of the period	781.16	745.59

**Break-down of actuarial (gain)/loss**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	(29.32)	67.11
Experience adjustment (gain)/ loss for plan liabilities	(31.21)	81.72
Return on Plan Assets (Greater)/Less than Discount rate	22.45	5.36
Total amount recognised in other comprehensive Income	(38.08)	154.19

**The amount to be recognised in the Balance sheet:**

Period	As at March 31, 2021	As at March 31, 2020
Present value of the obligation at the end of the period	781.16	745.59
Fair value of plan assets at end of period	205.28	180.79
Net liability/(asset) recognized in Balance Sheet and related analysis	575.88	564.80
Funded status - surplus/ (deficit)	575.88	(564.80)

**Expense recognized in the statement of profit and loss:**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest cost	50.27	33.82
Current service cost	118.88	129.01
Expected return on plan asset	(13.99)	(11.89)
Expenses to be recognized in P&L	155.16	150.94

**Table showing changes in the fair value of planned assets:**

Period	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the period	180.80	145.26
Gratuity fund relating to acquired business	-	30.89
Expected return on plan assets	13.99	11.89
Contributions	106.00	65.23
Benefits paid	(73.05)	(67.11)
Actuarial gain/(loss) on plan assets	(22.45)	(5.36)
Fair value of plan asset at the end of the period	205.28	180.80

(₹ in lakhs except stated otherwise)

**Experience adjustment (to the extent of information available):**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Experience adjustment (gain ) / loss for plan liabilities	(31.21)	81.72
Experience adjustment gain / (loss ) for plan assets	22.45	(5.36)
<b>The assumptions employed for the calculations are tabulated:</b>		
Discount rate	7.09% per annum	6.75 % per annum
Salary Growth Rate	8.00 % per annum	8.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	6.00% p.a.	6.00% p.a.

**Current Liability (Expected payout in next year as per schedule III of the Companies Act, 2013):**

Period	As at March 31, 2021	As at March 31, 2020
Current liability (short term)*	30.63	82.23
Non current liability-net (long term)	545.25	482.57
Total liability	575.88	564.80

**Sensitivity Analysis disclosure for financial year ended 31 March 2021:**

Particulars	% increase in DBO	Liability	Increase in DBO
Discount Rate +100 Basis Points	-9.86%	704.13	77.02
Discount Rate -100 Basis Points	11.71%	872.63	91.47
Salary Growth +100 Basis Points	11.26%	869.09	87.93
Salary Growth -100 Basis Points	-9.65%	705.79	75.36
Attrition Rate +100 Basis Points	-1.68%	768.06	13.09
Attrition Rate-100 Basis Points	1.91%	796.06	14.90
Mortality Rate 10% Up	-0.04%	780.81	0.35

**Note "41": RESEARCH AND DEVELOPMENT EXPENDITURE**

The Company has an in-house research and development (R&D) center located at Bidadi and Bommasandra. The Company has obtained recognition from Department of Scientific and Industrial Research w.e.f. 28 January 2014 at Bidadi and w.e.f. 1 April 2016 at Bommasandra. It is involved in development activities for new products, improvement in existing products and process improvements.

**Details of expenditure incurred on research and development are detailed below:**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Employees cost	74.26	618.77
Material cost	0.10	4.91
Travelling & conveyance expenses	-	-
Depreciation	74.58	75.63
Other expenditure directly related to R&D	14.17	31.61
<b>Total (A)</b>	<b>163.11</b>	<b>730.92</b>
Capital expenditure (B)	33.24	13.10
<b>Total (C)</b>	<b>196.35</b>	<b>744.02</b>

(₹ in lakhs except stated otherwise)

**NOTE “42”: SHARE-BASED PAYMENTS**

The Company has approved the ‘Manjushree Technopack Limited - Employee Stock Option Plan 2019’ (“ESOP 2019” / “Plan”) on 6 June 2019 and has granted stock option to certain employees and Directors with grant date as 8 July 2019. The number and weighted average exercise prices of share options for each of the following groups of options

Period	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Number of share options	Weighted average exercise price (in Rs.)	Number of share options	Weighted average exercise price (in Rs.)
Outstanding at the beginning of the period;	541,908	1,637.60	-	-
Granted during the period	-	-	541,908	1,637.60
Outstanding at the end of the period	541,908	1,637.60	541,908	1,637.60

**Compensation expense arising on account of Share based payments**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Employee Share-based payment (refer note 26)	405.68	326.14

The Company has determined the fair value of option based on Black-Scholes-Merton model which is one of the prescribed method under Ind AS 102. The fair value of each equity settled award is estimated as on grant date using Black Scholes Merton model with the following assumptions.

Particulars	Details
Share price	1,637.60
Exercise price	1,637.60
Expected volatility	0.10%
Expected life of options	1-5
Risk free rate	5.9% to 6.5%
Attrition rate	10.00%

Year	ESOP price ₹
Year 1	94.44
Year 2	187.50
Year 3	278.35
Year 4	366.31
Year 5	450.24

The relevant details of the scheme are as under	
Date of the Grant	08 July 2019
Date of the Board Approval	08 April 2019
Date of Shareholder's Approval	06 June 2019
Number of options granted	541,908
Method of settlement	Cash
Vesting period	1-5 years
Fair value on the date of grant	Rs.94.44 to Rs.450.24
Exercise period	As specified in ESOP scheme
Vesting conditions	Service and change of control

(₹ in lakhs except stated otherwise)

#### NOTE “43”: OPERATING LEASE COMMITMENTS

The Company’s significant leasing arrangements comprise of operating leases for premises (staff quarters, office, stores, etc.). These leasing arrangements range between 11 months and 10 years and are usually renewable by mutual consent on mutually agreeable terms. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Not later than one year	504.15	521.46
Later than one year and not later than five years	1,086.26	1,278.77
Later than five years	99.94	360.96

#### NOTE “44”: EARNING PER SHARE

Earnings Per Share (EPS) – EPS is calculated by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Basic earnings per share</b>		
Profit after tax available for equity shareholders	10,004.46	6,935.48
Weighted average number of equity shares	135.48	135.48
Basic earning per share	73.85	51.19
Face value of equity share (₹)	10.00	10.00
<b>Diluted earnings per share</b>		
Profit after tax available for equity shareholders	10,140.08	6,976.24
Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	137.63	137.63
Diluted earning per share	73.68	50.69

#### NOTE “45”:

The Company has considered the possible effects resulting from business disruption due to COVID-19 on the carrying amounts of the components disclosed in the standalone financial statements. Basis this assessment, the Company believes that these carrying amounts are not impacted by the business disruption due to COVID-19. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Company, as at the date of approval of these financial statements has used internal and external sources of information and economic forecasts. Based on current estimates relating to future Raw Material prices, Future Revenues, Operating Parameters and the Assets’ useful life, the Company expects that the carrying amount of these Current and Non- Current assets will be recovered, and it will be able to meet its financial obligations in the normal course of business. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(₹ in lakhs except stated otherwise)

**NOTE “46”: EXCEPTIONAL ITEMS**

Particulars	Amount
The Company in the previous year acquired business from “National Plastics”(NAPLA) situated in Amritsar, on slump sale basis. NAPLA is engaged in manufacturing, marketing, and distributing of sprayers, pumps, dispensers and triggers. Per the Business Transfer Agreement signed on 21 October 2019, the purchase consideration of ₹169,37.79 lakhs included performance linked milestone based contingent consideration of ₹ 3,000 lakhs. The Company had accounted for the transaction basis the Purchase Price Allocation in line with the requirements of IND AS 103. However, in current year, the performance linked milestone for contingent consideration was not achieved and consequently the company is not liable to pay the contingent consideration. Accordingly the Company has reversed the Fair value of liability relating to contingent consideration and is disclosed under “Exceptional items “ in the statement of Profit and Loss.	2,618.18
Expenses incurred in connection with acquisition of new business	(221.88)
Net Income	<b>2,396.30</b>

**NOTE “47”: INCOME TAX****Income tax expense in the statement of profit and loss consists of:**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Current income tax for the year	2,300.00	1,965.15
Deferred tax for the year	78.77	885.93

**Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate for 31 March 2021 and 31 March 2020:**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Accounting profit before income tax	12,190.47	9,859.53
At India’s statutory income tax rate of 25.17%	3,068.34	2,481.64
<b>Permanent disallowances :</b>		
Add : Non deductible expenses for tax purposes	72.34	621.14
Less : Write back of Contingent Consideration relating to an acquisition	(659.00)	-
Less : Adjustment for Current and Deferred Tax relating to earlier years	(333.59)	-
Less : Goodwill amortisation	-	(251.70)
Income tax expense	2,148.09	2,851.08

**NOTE “48”: OPERATING SEGMENT**

The Company is engaged in the manufacture and sale (both domestic & exports) of ‘PET preforms, plastic containers & shrink film,’ which constitutes single business segment. The Chief Executive Officer, decision maker of the Company, evaluates the Company’s performance and allocates resources on overall basis hence no segment reporting disclosures. Geographical segment disclosure has not been given as more than 95% of the revenue is in the domestic market.

(₹ in lakhs except stated otherwise)

**NOTE “49”: CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to section 135 of the Companies act 2013, the Company has incurred expenses on corporate social responsibility (CSR)

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Gross amount required to be spent during the year	150.45	139.32
Amount spent during the year on Revenue Expenditure	131.50	312.75
Amount spent during the year on Capital Expenditure	-	-

**NOTE “50”: CODE ON SOCIAL SECURITY, 2020**

The Code on Social Security, 2020 (“the Code”) which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on 13 November 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its standalone financial statements in the period in which the Code becomes effective and the related rules are published.

**NOTE “51”:**

The standalone financial statements for the year ended 31 March 2021 were approved by the Board of Directors in their meeting held on 15 June 2021.

As per our report of even date

**for and on behalf of the Board of Directors**

**For Deloitte Haskins & Sells**  
 Chartered Accountants  
 (Firm’s Registration No. 008072S)

**Sanjay Kapote**  
 Managing Director & CEO  
 DIN: 07529860  
 Place : Bengaluru  
 Date : 15 June 2021

**Ashok Sudan**  
 Chairman  
 DIN: 02374967  
 Place : Arizona, USA  
 Date : 15 June 2021

**Monisha Parikh**  
 Partner  
 (Membership No. 47840)  
 (UDIN: 21047840AAAADD1050)

**Biren Shah**  
 Chief Financial Officer  
 Place : Bengaluru  
 Date : 15 June 2021

**Rasmi Ranjan Naik**  
 Company Secretary  
 Place : Bengaluru  
 Date : 15 June 2021

## NOTE NO. 1

### NOTES AND OTHER EXPLANATORY INFORMATION FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### A. COMPANY PROFILE AND BACKGROUND

Manjushree Technopack Limited (the Company) is a public limited company incorporated in the year 1987 under the Companies Act, 1956. The Company is engaged in providing packaging solutions, manufacturing and selling PET, Plastic Preforms and Containers. These products are significantly sold in domestic markets and also exported. The Company has its production facilities spread across states of Karnataka, Himachal Pradesh, Uttarakhand, Haryana and Assam in India. The registered office of the Company is situated in Bengaluru, Karnataka. During the previous year, the Company acquired the business of National Plastics in Amritsar, Punjab, as a strategic buy out to extend their product range to dispenser pumps.

#### B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The standalone financial statements are prepared under historical cost convention on a going concern and accrual basis in accordance with the provisions of the Companies Act, 2013, and comply with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements. All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 as well as guidance note issued by the Institute of Chartered Accountants of India.

The standalone financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i. Financial instruments;
- ii. Lease deposits;
- iii. Lease obligations and Right of Use assets;
- iv. Goodwill and Intangible assets acquired from National Plastics and Varahi;
- v. Deferred consideration payable to National Plastics and Varahi; and
- vi. ESOP liability.

The standalone financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

#### C. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience, various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

#### **D. SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **I) PROPERTY, PLANT AND EQUIPMENT (PPE)**

- a) Land, both freehold and leasehold is carried at historical cost.
- b) Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. 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.

Items such as stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Costs in nature of repairs and maintenance, other than those resulting in enduring benefit and increases the economic life of the asset, are recognized in the Statement of Profit and Loss.

- c) Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

##### **d) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

##### **II) INVESTMENT PROPERTIES**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided over its useful life using the straight line method, in a manner similar to PPE.

##### **III) CAPITAL WORK-IN-PROGRESS**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### **IV) INTANGIBLE ASSETS**

Intangible assets except goodwill are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets developed or acquired with finite useful life are amortized on straight line basis. Goodwill is not amortised but tested for impairment on annual basis.

Intangible assets consist of Patents, Trademark, Brand, Customer Relationship Contracts and Goodwill which were acquired from Varahi and National Plastics.

#### **V) DEPRECIATION AND AMORTISATION**

Property, plant and equipment are depreciated over the useful life prescribed under Schedule II to the Companies Act, 2013 under straight line method on a proportionate basis depending upon the period of use. Those assets acquired/discarded during the year are depreciated on pro-rata basis. Depreciation is provided from the date of capitalization on a Straight Line Method (SLM) at the rate prescribed under Schedule II to the Companies Act, 2013 or the rates determined based on management's estimate of useful lives of assets based on technical evaluation of the useful lives of such assets which reflects the nature, size and operations of the Company

Intangible assets (Patents, Trademark, Brand and Customer Relationship Contracts) are amortised over their estimated useful life i.e. five years.

Computer software is amortised as per straight line method prescribed under Schedule II to the Companies Act, 2013.

#### **VI) BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and also includes exchange differences to the extent it is regarded as an adjustment to it.

Borrowing costs pertaining to financial assets and liabilities classified under amortised costs are amortized over the tenure of the borrowings using effective interest rate method.

A qualifying asset is an asset that necessarily requires a substantial period of time (presently, management considers 12 months as the time period for such qualifying assets) to get ready for its intended use or sale.

#### **VII) VALUATION OF INVENTORIES**

a) Raw materials, semi-finished goods, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, first-in, first-out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts.

- c) Cost of finished goods and semi-finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, taxes and duties as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## **VIII) FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVE INSTRUMENTS**

### **1) Foreign currency transactions**

Initial recognition - Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at the Balance Sheet date - Foreign currency monetary assets and liabilities are restated at the closing exchange rates. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

### **2) Derivative instruments**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## **IX) REVENUE RECOGNITION**

- a) Revenue from the sale of goods is recognized on satisfaction of performance obligation upon transfer of control of promised goods to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. The Company recognises revenue at fair value of consideration received or receivable excluding duties and tax collected from customers.
- b) Dividend income is recognized when the right to receive is established.
- c) Interest income is accrued on a time proportionate basis.
- d) Income from sale of scrap is recognized upon dispatch.
- e) Revenue from job work is recognized on completion of service under the contract.
- f) Duty drawback and other export incentives are recognized on accrual basis on receiving the grant from government.
- g) Rental income is recognized based on contractual terms and conditions.

## **X) FINANCIAL INSTRUMENTS**

### **1) Financial assets**

#### **a) Initial recognition**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through Profit or Loss. Financial assets carried at fair value through Profit or Loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

**b) Subsequent measurement**

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI) or fair value through Profit or Loss on the basis of:

- i) The entity's business model for managing the financial assets; and
- ii) The contractual cash flow characteristics of the financial asset.

**i) Measured at amortised cost**

A financial asset is measured at amortised cost, if it is held under "the hold to collect business model" i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

The losses arising from impairment of these assets are recognised in the Statement of Profit and Loss.

On derecognition of these assets, gain or loss, if any, is recognised to Statement of Profit and Loss.

**ii) Measured at fair value through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at FVTOCI, if it is held under "the hold to collect and sell business model" i.e. held with an objective to collect contractual cash flows and selling such financial asset, and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method.

The losses arising from impairment of these assets are recognised in the Statement of Profit and Loss.

On derecognition of these assets, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

**iii) Measured at fair value through profit or loss (FVTPL)**

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVTOCI is measured at FVTPL. Such financial assets are measured at fair value and changes in fair value, including interest income and dividend income, if any, are recognised in the Statement of Profit and Loss.

**c) Impairment of financial assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

As per Ind AS 109, for financial assets other than trade receivables, the Company recognises 12

months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses, if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component, and loss allowance on trade receivables is measured at an amount equal to lifetime expected losses i.e. expected cash shortfall. Where loans or receivables have been written off, the Company continues to engage in recovery of the receivables due. Where recoveries are made, these are recognized in Statement of Profit and Loss.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

**d) De-recognition**

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expires, or it transfers the contractual rights to receive the cash flows from the asset.

**2) Financial Liabilities**

**a) Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

**b) Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**c) Loans & Borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method.

Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are de-recognized.

**d) De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**e) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance

Sheet if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **XI) FAIR VALUE MEASUREMENT**

- a) The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. 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, assuming that market participants act in their economic best interest.
- b) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
- c) The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
  - Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
  - Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
  - Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.
- d) For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- e) For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **XII) LEASE**

- a) Ind AS 116, "Leases" (notified by Ministry of Corporate Affairs (MCA) from reporting period 1 April 2019), introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases which is not a short-term lease, unless the underlying asset is low value in nature. As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.
- b) On transition, the Company recognized a lease liability measured at the present value of the remaining lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the average of incremental borrowing rates.
- c) The right-of-use asset is recognized at an amount equal to lease liability as at 1 April 2019. It is depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset, whichever is less.

- d) For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.
- e) The company has some of its premises under operating lease. The lease agreements generally have an escalation clause and are structured to increase necessarily in line with expected general inflation and hence operating lease receipts are recognised as revenue in the Statement of Profit and Loss on actual basis over the lease term.

### **XIII) EMPLOYEE BENEFITS**

#### **a) Defined contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee provident fund scheme, etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

#### **b) Defined benefit plans**

The Company also provides for retirement/post-retirement benefits in the form of gratuity and compensated absences to the employees.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss).

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The defined benefit plan surplus or deficit on the Balance Sheet comprises the total for each plan of the fair value of plan assets less the present value of the defined benefit liabilities. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### **c) Other employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance Sheet date determined based on an actuarial valuation.

Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

#### **XIV) TAXES ON INCOME**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in Other Comprehensive Income.

- a) Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.
- b) Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences and used tax losses only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

- c) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

#### **XV) IMPAIRMENT OF ASSETS**

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

#### **XVI) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that

may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is neither recognized nor disclosed in the financial statements.

#### **XVI) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Cash and cash equivalents includes cash on hand, deposits held at call with banks and financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **XVIII) CASH FLOW STATEMENT**

As per Ind AS 107 Statement of Cash Flow is reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

#### **XIX) RESEARCH AND DEVELOPMENT EXPENSES**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable and the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably. Such intangible assets are amortised over its useful life.

#### **XX) EARNING PER SHARE (EPS)**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

#### **XXI) BUSINESS COMBINATION**

Business combinations Acquisitions of businesses are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 and Ind AS 19 respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess, after

reassessment, is recognised in capital reserve through other comprehensive income or directly depending on whether there exists clear evidence of the underlying reason for classifying the business combination as a bargain purchase.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against Goodwill/capital reserve.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

#### **Goodwill**

Goodwill is initially recognised and measured as set out above. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### **XXII) EXCEPTIONAL ITEMS**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

#### **XXIII) Share Based Payments**

The company recognises compensation expense relating to share based payments in net profit using fair value in accordance with Ind AS 102. "Share based payment". The estimated fair value of awards is charged as expense on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance multiple awards with a corresponding increase to ESOP outstanding account.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MANJUSHREE TECHNOPACK LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Manjushree Technopack Limited (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

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

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 a 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the

preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 the 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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

1. As required by Section 143(3) of the Act, based on our audit, 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 of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including Other Comprehensive Income), the Consolidated Statement of Cash Flowsand Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2021 taken on record by the Board of Directors of the Parent and our report of its subsidiary company incorporated in India, none of the directors of the Group is disqualified as on 31 March 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reportingof the Parent and subsidiary incorporated in India.
  - 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 to the Consolidated Financial Statements.
- ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary incorporated in India.

Place: Ahmedabad  
Date: 15 June 2021

For **Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 008072S)  
**Monisha Parikh**  
(Partner)  
(Membership No. 47840)  
(UDIN: 21047840AAAADE5519)

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

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Manjushree Technopack Limited (hereinafter referred to as "the Parent") and its subsidiary, which is a company incorporated in India, as of that date.

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

The respective Board of Directors of the Parent and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary, which is a company incorporated in India, 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) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 for the Parent and the subsidiary, which is a company incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary, which is a company incorporated in India.

#### **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 to the best of our information and according to the explanations given to us, the Parent and its subsidiary, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting established by the Group 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.

Place: Ahmedabad  
Date: 15 June 2021

For **Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm's Registration No. 008072S)  
**Monisha Parikh**  
(Partner)  
(Membership No. 47840)  
(UDIN: 21047840AAAADE5519)

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021**

(₹ in lakhs except stated otherwise)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	46,330.68	39,553.07
(b) Right to use assets	2B	4,684.35	4,882.97
(c) Capital work-in-progress	2C	6,768.20	5,767.65
(d) Investment Properties	2A	2,384.33	2,439.31
(e) Goodwill (refer note 34)		8,000.00	8,000.00
(f) Intangible assets	2	4,292.79	7,514.16
(g) Financial assets			
(i) Investments	5	246.41	-
(ii) Other financial assets	3	1,127.59	761.54
(i) Other non-current assets	4	4,702.59	2,936.53
<b>Total non-current assets</b>		<b>78,536.94</b>	<b>71,855.23</b>
<b>Current assets</b>			
(a) Inventories	6	24,674.94	22,895.95
(b) Financial assets			
(i) Trade receivables	7	19,978.16	18,794.75
(ii) Cash and cash equivalents	8	32.65	67.23
(iii) Other bank balances	9	54.54	1,283.08
(iv) Other financial assets	10	89.57	74.24
(c) Other current assets	11	4,360.73	6,694.23
<b>Total current assets</b>		<b>49,190.59</b>	<b>49,809.48</b>
<b>Total Assets</b>		<b>1,27,727.53</b>	<b>1,21,664.71</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	12A	1,371.86	1,371.86
(b) Other equity	12B	53,679.67	44,224.67
<b>Total equity</b>		<b>55,051.53</b>	<b>45,596.53</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	19,042.39	18,757.71
(ii) Lease liabilities	2D	2,593.26	2,819.46
(iii) Other financial liabilities	14	703.95	5,173.32
(b) Provisions	15	580.15	416.32
(c) Deferred tax liabilities (net)	16	784.36	697.38
<b>Total non-current liabilities</b>		<b>23,704.11</b>	<b>27,864.19</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	20,657.30	25,010.72
(ii) Lease liabilities	2D	808.37	602.12
(iii) Trade payables			
Due to Micro Enterprises and Small Enterprises	18	76.85	100.39
Other than Micro Enterprises and Small Enterprises	18	11,813.79	9,870.22
(iv) Other financial liabilities	19	11,706.38	11,842.28
(b) Provisions	20	1,306.21	103.73
(c) Other current liabilities	21	2,602.99	674.53
<b>Total current liabilities</b>		<b>48,971.89</b>	<b>48,203.99</b>
<b>Total Equity and Liabilities</b>		<b>1,27,727.53</b>	<b>1,21,664.71</b>
Company profile and background	1.A		
Significant accounting policies	1.D		
Notes on Consolidated Financial Statements and other explanatory information	2 to 51		
The notes referred to above form an integral part of the Consolidated Financial Statements			

As per our report of even date

for and on behalf of the Board of Directors

 For **Deloitte Haskins & Sells**  
 Chartered Accountants  
 (Firm's Registration No. 008072S)

**Sanjay Kapote**  
 Managing Director & CEO  
 DIN: 07529860  
 Place : Bengaluru  
 Date : 15 June 2021

**Ashok Sudan**  
 Chairman  
 DIN: 02374967  
 Place : Arizona, USA  
 Date : 15 June 2021

**Monisha Parikh**  
 Partner  
 (Membership No. 47840)  
 (UDIN: 21047840AAAADD1050)

**Biren Shah**  
 Chief Financial Officer  
 Place : Bengaluru  
 Date : 15 June 2021

**Rasmi Ranjan Naik**  
 Company Secretary  
 Place : Bengaluru  
 Date : 15 June 2021

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in lakhs except stated otherwise)

Particulars	Note No.	Year Ended 31 March 2021	Year Ended 31 March 2020
I. Revenue from operations	22	1,04,683.05	1,08,113.11
II. Other income	23	714.21	1,643.17
III. Total income (I +II)		<u>1,05,397.26</u>	<u>1,09,756.28</u>
IV. Expenses			
(a) Cost of materials consumed	24	52,692.52	63,140.39
(b) Purchase of stock in trade		857.19	762.26
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	2,072.94	(2,954.35)
(d) Employee benefits expense	26	9,441.08	8,349.07
(e) Other manufacturing expenses	27	12,944.18	12,990.91
(f) Finance cost	28	4,323.23	4,285.65
(g) Depreciation and amortisation expenses	2	7,832.74	6,631.08
(h) Other expenses	29	6,357.86	6,968.47
<b>Total expenses</b>		<u>96,521.74</u>	<u>100,173.48</u>
V. Profit before exceptional and tax (III-IV)		<b>8,875.52</b>	<b>9,582.80</b>
VI. Exceptional items	46	2,396.30	-
VII. Profit before tax (V+VI)		<b>11,271.82</b>	<b>9,582.80</b>
VIII. Tax expense:			
(i) Current tax		2,300.00	1,965.15
(ii) Current tax relating to earlier years		(230.68)	
(iii) Deferred tax		86.98	895.13
<b>IX. Profit for the year (VII-VIII)</b>		<u><b>9,115.52</b></u>	<u><b>6,722.52</b></u>
X. <b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of net defined benefit plans		(78.97)	(98.12)
(ii) Income tax relating to net defined benefit plans		12.76	25.15
<b>Total other comprehensive income/(loss) for the year (net of taxes)</b>		<u>(66.21)</u>	<u>(72.97)</u>
<b>XI. Total Comprehensive Income</b>		<u><b>9,049.31</b></u>	<u><b>6,649.55</b></u>
Earnings (basic) per share in rupees (face value of Rs 10/- each) .		<b>66.80</b>	<b>49.08</b>
Earnings (diluted) per share in rupees (face value of Rs 10/- each) .		<b>66.74</b>	<b>48.61</b>

Company profile and background

1.A

Significant accounting policies

1.D

Notes on Consolidated Financial Statements and other explanatory information 2 to 51

The notes referred to above form an integral part of the Consolidated Financial Statements

As per our report of even date

**for and on behalf of the Board of Directors**For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 008072S)

**Sanjay Kapote**

Managing Director &amp; CEO

DIN: 07529860

Place : Bengaluru

Date : 15 June 2021

**Ashok Sudan**

Chairman

DIN: 02374967

Place : Arizona, USA

Date : 15 June 2021

**Monisha Parikh**

Partner

(Membership No. 47840)

(UDIN: 21047840AAAADD1050)

**Biren Shah**

Chief Financial Officer

Place : Bengaluru

Date : 15 June 2021

**Rasmi Ranjan Naik**

Company Secretary

Place : Bengaluru

Date : 15 June 2021

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**
**A. Equity Share Capital (Refer Note 12 A)**

Particulars	(Amount in ₹ in lakhs)
Balance as at 31 March, 2019	1,371.86
Changes in share capital during the year	-
Balance as at 31 March, 2020	1,371.86
Changes in share capital during the year	-
Balance as at 31 March, 2021	1,371.86

**B. Other Equity (Refer Note 12 B)**

(₹ in lakhs except stated otherwise)

Particulars	Reserves and Surplus				Employee Share-based Payments Outstanding	Other Comprehensive income/ (loss)	Total
	Securities Premium	General Reserve	Retained Earnings	Equity component of compound financial instruments			
<b>Balance as at 1 April 2019</b>	<b>2,735.32</b>	<b>1,300.00</b>	<b>31,363.91</b>	-	-	(51.95)	<b>35,347.28</b>
Profit/(Loss) for the year	-	-	6,722.52	-	-	-	6,722.52
Equity component of compulsorily convertible debentures	-	-	-	1,901.70	-	-	1,901.70
Recognition of share-based payments	-	-	-	-	326.14	-	326.14
Other comprehensive income	-	-	-	-	-	(72.97)	(72.97)
<b>Balance as at 31 March 2020</b>	<b>2,735.32</b>	<b>1,300.00</b>	<b>38,086.43</b>	<b>1,901.70</b>	<b>326.14</b>	<b>(124.92)</b>	<b>44,224.67</b>
Profit/(Loss) for the year	-	-	9,115.52	-	-	-	9,115.52
Recognition of share-based payments	-	-	-	-	405.69	405.69	405.69
Other comprehensive income	-	-	-	-	-	(66.21)	(66.21)
<b>Balance as at 31 March 2021</b>	<b>2,735.32</b>	<b>1,300.00</b>	<b>47,201.95</b>	<b>1,901.70</b>	<b>731.83</b>	<b>(191.13)</b>	<b>53,679.67</b>

As per our report of even date

for and on behalf of the Board of Directors

 For **Deloitte Haskins & Sells**  
 Chartered Accountants  
 (Firm's Registration No. 008072S)

**Sanjay Kapote**  
 Managing Director & CEO  
 DIN: 07529860  
 Place : Bengaluru  
 Date : 15 June 2021

**Ashok Sudan**  
 Chairman  
 DIN: 02374967  
 Place : Arizona, USA  
 Date : 15 June 2021

**Monisha Parikh**  
 Partner  
 (Membership No. 47840)  
 (UDIN: 21047840AAAADD1050)

**Biren Shah**  
 Chief Financial Officer  
 Place : Bengaluru  
 Date : 15 June 2021

**Rasmi Ranjan Naik**  
 Company Secretary  
 Place : Bengaluru  
 Date : 15 June 2021

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2021**

(Rs. in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit/(Loss) before tax</b>	11,205.61	9,509.83
Adjustments for:		
Depreciation and amortisation expense	7,832.74	6,132.18
Loss on sale/discard of Property, plant and equipment (net)	41.18	118.29
Provision for doubtful trade receivables	123.07	92.34
Trade advances written off	56.55	0.68
Interest income	(90.43)	(88.61)
Sundry balances written back	(226.38)	-
Dividend received	-	(4.74)
Share-based payments	405.68	326.14
Finance costs	4,247.20	4,295.14
<b>Operating profit before working capital changes</b>	<b>23,595.22</b>	<b>20,381.25</b>
Adjustments for:		
Inventories	(1,778.99)	(1,579.61)
Trade receivables	(2,293.73)	4,770.77
Current and non current assets & other financial assets	2,455.23	(3,097.43)
Trade payables	2,465.53	(597.74)
Other current liabilities	(1,862.21)	-
Provisions	1,364.04	-
<b>Cash generated from operations</b>	<b>23,945.09</b>	<b>19,877.24</b>
Income taxes paid	(1,588.65)	(1,940.11)
<b>Net cash generated from operating activities</b>	<b>22,356.44</b>	<b>17,937.13</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment	(13,447.16)	(9,792.97)
Acquisition of business	(3,769.70)	(7,127.16)
Proceeds from sale of Property, plant and equipment	443.45	280.34
Purchase of Investment	(246.41)	-
Dividend received	-	4.74
Fixed deposits with banks matured	1,254.73	-
Unclaimed dividend paid	(1.19)	-
Margin Money deposit	(25.00)	-
Interest received	114.22	88.61
<b>Net cash (used in) / generated from investing activities</b>	<b>(15,677.06)</b>	<b>(16,546.44)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	10,327.27	5,767.50
Repayment of long term borrowings	(7,617.38)	(9,598.18)
Proceeds from/(repayment) of short term borrowings (net)	(4,353.42)	3,227.36
Proceeds from allotment of compulsorily convertible debentures	-	3,521.61

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2021 (Contd...)**  
 (Rs. in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Repayment of lease liabilities	(901.92)	(488.92)
Allotment of Capital Grants	-	500.00
Interest paid	(4,168.51)	(4,295.14)
<b>Net cash (used in) / generated from financing activities</b>	<b>(6,713.96)</b>	<b>(1,365.77)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(34.58)</b>	<b>24.92</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>67.23</b>	<b>42.31</b>
<b>Cash and cash equivalents at the end of the year/period (refer Note No. 8)</b>	<b>32.65</b>	<b>67.23</b>
<b>Notes:</b>		
1. Cash and cash equivalents at the end of the year comprises of:		
Cash on hand	8.13	24.69
Balance with banks:		
In current accounts	24.52	42.54
<b>Total</b>	<b>32.65</b>	<b>67.23</b>

2. **Reconciliation of lease liabilities for the year ended 31 March 2021**

Particulars	As at 31 March 2020	Impact of Ind AS 116	Repayment changes	Fair value	As at 31 March 2021
Lease liabilities	3,421.58	911.90	(901.92)	(29.93)	3,401.63

**Reconciliation of lease liabilities for the year ended 31 March 2020**

Particulars	As at 31 March 2019	Impact of Ind AS 116	Repayment changes	Fair value	As at 31 March 2020
Lease liabilities	-	3,946.03	(488.91)	(35.54)	3,421.58

3. The above Statement of Cash Flow has been prepared under the Indirect Method as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date

for and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**  
 Chartered Accountants  
 (Firm's Registration No. 008072S)

**Sanjay Kapote**  
 Managing Director & CEO  
 DIN: 07529860  
 Place : Bengaluru  
 Date : 15 June 2021

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**Biren Shah**  
 Chief Financial Officer  
 Place : Bengaluru  
 Date : 15 June 2021

**Rasmi Ranjan Naik**  
 Company Secretary  
 Place : Bengaluru  
 Date : 15 June 2021

## NOTES FROMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)

NOTE '2' : Property, plant &amp; equipment as at 31st March 2021

(I) Other than research &amp; development

(₹ in lakhs except stated otherwise)

ITEM	Gross Block			Accumulated Depreciation And Amortization				Net Block		
	Opening as at 1 April 2020	Additions	Disposals	Closing as at 31 March 2021	Opening as at 1 April 2020	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2021	As At 31 March 2021	As At 31 March 2020
<b>A. Tangible Assets</b>										
1. Freehold Land	1,095.42	2.44	-	1,097.86	-	-	-	-	1,097.86	1,095.42
2. Leasehold Land	1,662.26	-	-	1,662.26	-	-	-	-	1,662.26	1,662.26
3. Building & Civil Works	12,309.78	213.61	28.51	12,494.88	3,851.34	343.30	7.49	4,187.15	8,307.73	8,458.44
4. Plant & Machinery	59,730.54	9,257.82	1,294.32	67,694.04	36,582.29	2,924.91	849.39	38,657.81	29,036.23	23,148.25
5. Utility Installations	6,710.41	1,281.86	-	7,992.27	4,242.50	309.52	-	4,552.02	3,440.25	2,467.91
6. Computer Systems	270.91	130.21	-	401.12	163.05	45.64	-	208.69	192.43	107.86
7. Furniture & Fixture	765.23	51.87	0.27	816.83	405.02	46.98	0.26	451.74	365.09	360.21
8. Vehicles	224.11	-	96.23	127.88	173.46	9.30	79.47	103.29	24.59	50.65
9. Other Equipments	2,603.01	226.13	3.53	2,825.61	1,185.55	180.71	1.63	1,364.63	1,460.98	1,417.46
<b>Total - A</b>	<b>85,371.67</b>	<b>11,163.94</b>	<b>1,422.86</b>	<b>95,112.75</b>	<b>46,603.21</b>	<b>3,860.36</b>	<b>938.24</b>	<b>49,525.33</b>	<b>45,587.42</b>	<b>38,768.46</b>
<b>B. Intangible Assets</b>										
10. Computer Software	175.54	-	-	175.54	140.43	12.08	-	152.51	23.03	35.11
11. Patents & Trade Marks	15,852.75	-	-	15,852.75	8,373.70	3,209.29	-	11,582.99	4,269.76	7,479.05
<b>Total - B</b>	<b>16,028.29</b>	<b>-</b>	<b>-</b>	<b>16,028.29</b>	<b>8,514.13</b>	<b>3,221.37</b>	<b>-</b>	<b>11,735.50</b>	<b>4,292.79</b>	<b>7,514.16</b>
<b>Grand Total (A+B)</b>	<b>101,399.96</b>	<b>11,163.94</b>	<b>1,422.86</b>	<b>111,141.04</b>	<b>55,117.34</b>	<b>7,081.73</b>	<b>938.24</b>	<b>61,260.83</b>	<b>49,880.21</b>	<b>46,282.62</b>

(II) Research &amp; Development

ITEM	Gross Block			Accumulated Depreciation And Amortization				Net Block		
	Opening as at 1 April 2020	Additions	Disposals	Closing as at 31 March 2021	Opening as at 1 April 2020	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2021	As At 31 March 2021	As At 31 March 2020
<b>A. Tangible Assets</b>										
1. Building & Civil Works	167.48	-	-	167.48	30.32	2.33	-	32.65	134.83	137.16
2. Plant & Machinery	1,711.28	19.93	-	1,731.21	1,147.70	58.12	-	1,205.82	525.39	563.58
3. Computer Systems	1.31	-	-	1.31	0.76	-	-	0.76	0.55	0.55
4. Furniture & Fixture	167.17	-	-	167.17	118.02	7.60	-	125.62	41.55	49.15
5. Other Equipments	117.96	13.30	-	131.26	83.79	6.53	-	90.32	40.94	34.17
<b>Total</b>	<b>2,165.20</b>	<b>33.23</b>	<b>-</b>	<b>2,198.43</b>	<b>1,380.59</b>	<b>74.58</b>	<b>-</b>	<b>1,455.17</b>	<b>743.26</b>	<b>784.61</b>
<b>Grand Total (I+II)</b>										
<b>A. Tangible Asset</b>	<b>87,536.87</b>	<b>11,197.17</b>	<b>1,422.86</b>	<b>97,311.18</b>	<b>47,983.80</b>	<b>3,934.94</b>	<b>938.24</b>	<b>50,980.50</b>	<b>46,330.68</b>	<b>39,553.07</b>
<b>B. Intangible Asset</b>	<b>16,028.29</b>	<b>-</b>	<b>-</b>	<b>16,028.29</b>	<b>8,514.13</b>	<b>3,221.37</b>	<b>-</b>	<b>11,735.50</b>	<b>4,292.79</b>	<b>7,514.16</b>
<b>Grand Total (I+II)</b>	<b>103,565.16</b>	<b>11,197.17</b>	<b>1,422.86</b>	<b>113,339.47</b>	<b>56,497.93</b>	<b>7,156.31</b>	<b>938.24</b>	<b>62,716.00</b>	<b>50,623.47</b>	<b>47,067.23</b>

**NOTES FROMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd....)**
**NOTE '2' : Property, plant & equipment as at 31st March 2020**
**(I) Other than research & development**

(₹ in lakhs except stated otherwise)

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2019	Additions	Disposals	Closing as at 31 March 2020	Opening as at 1 April 2019	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2020	As At 31 March 2020	As At 31 March 2019
<b>A. Tangible Assets</b>										
1. Freehold Land	577.62	517.80	-	1,095.42	-	-	-	-	1,095.42	577.62
2. Leasehold Land	3,133.63	-	1,471.37	1,662.26	-	-	-	-	1,662.26	3,133.63
3. Building & Civil Works	9,817.83	2,491.95	-	12,309.78	3,577.82	273.52	-	3,851.34	8,458.44	6,240.01
4. Plant & Machinery	56,254.59	5,048.68	1,572.73	59,730.54	34,636.47	2,777.80	831.98	36,582.29	23,148.25	21,618.12
5. Utility Installations	6,283.48	592.75	165.82	6,710.41	4,012.79	286.68	56.97	4,242.50	2,467.91	2,270.69
6. Computer Systems	185.53	92.14	6.76	270.91	140.03	29.42	6.40	163.05	107.86	45.50
7. Furniture & Fixture	665.47	131.72	31.96	765.23	395.17	39.57	29.72	405.02	360.21	270.30
8. Vehicles	350.52	1.00	127.41	224.11	248.51	16.31	91.36	173.46	50.65	102.01
9. Other Equipments	2,087.76	562.67	47.42	2,603.01	1,077.61	143.40	35.46	1,185.55	1,417.46	1,010.15
<b>Total - A</b>	<b>79,356.43</b>	<b>9,438.71</b>	<b>3,423.47</b>	<b>85,371.67</b>	<b>44,088.40</b>	<b>3,566.70</b>	<b>1,051.89</b>	<b>46,603.21</b>	<b>38,768.46</b>	<b>35,268.03</b>
<b>B. Intangible Assets</b>										
10. Computer Software	139.18	36.36	-	175.54	126.62	13.81	-	140.43	35.11	12.56
11. Patents & Trade Marks	9,950.25	5,902.50	-	15,852.75	5,953.57	2,420.13	-	8,373.70	7,479.05	3,996.68
<b>Total - B</b>	<b>10,089.43</b>	<b>5,938.86</b>	<b>-</b>	<b>16,028.29</b>	<b>6,080.19</b>	<b>2,433.94</b>	<b>-</b>	<b>8,514.13</b>	<b>7,514.16</b>	<b>4,009.24</b>
<b>Grand Total (A+B)</b>	<b>89,445.86</b>	<b>15,377.57</b>	<b>3,423.47</b>	<b>101,399.96</b>	<b>50,168.59</b>	<b>6,000.64</b>	<b>1,051.89</b>	<b>55,117.34</b>	<b>46,282.62</b>	<b>39,277.27</b>

**(II) Research & Development**

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2019	Additions	Disposals	Closing as at 31 March 2020	Opening as at 1 April 2019	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2020	As At 31 March 2020	As At 31 March 2019
<b>A. Tangible Assets</b>										
1. Building & Civil Works	167.48	-	-	167.48	27.99	2.33	-	30.32	137.16	139.49
2. Plant & Machinery	1,696.07	15.21	-	1,711.28	1,087.68	60.02	-	1,147.70	563.58	608.39
3. Computer Systems	0.80	0.51	-	1.31	0.76	-	-	0.76	0.55	0.04
4. Furniture & Fixture	167.17	-	-	167.17	110.42	7.60	-	118.02	49.15	56.75
5. Other Equipments	117.96	-	-	117.96	78.11	5.68	-	83.79	34.17	39.85
<b>Total</b>	<b>2,149.48</b>	<b>15.72</b>	<b>-</b>	<b>2,165.20</b>	<b>1,304.96</b>	<b>75.63</b>	<b>-</b>	<b>1,380.59</b>	<b>784.61</b>	<b>844.52</b>
<b>Grand Total(I+II)</b>										
<b>A. Tangible Asset</b>	<b>81,505.91</b>	<b>9,454.43</b>	<b>3,423.47</b>	<b>87,536.87</b>	<b>45,393.36</b>	<b>3,642.33</b>	<b>1,051.89</b>	<b>47,983.80</b>	<b>39,553.07</b>	<b>36,112.55</b>
<b>B. Intangible Asset</b>	<b>10,089.43</b>	<b>5,938.86</b>	<b>-</b>	<b>16,028.29</b>	<b>6,080.19</b>	<b>2,433.94</b>	<b>-</b>	<b>8,514.13</b>	<b>7,514.16</b>	<b>4,009.24</b>
<b>Grand Total(I+II)</b>	<b>91,595.34</b>	<b>15,393.29</b>	<b>3,423.47</b>	<b>103,565.16</b>	<b>51,473.55</b>	<b>6,076.27</b>	<b>1,051.89</b>	<b>56,497.93</b>	<b>47,067.23</b>	<b>40,121.79</b>

## NOTES FROMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)

NOTE '2A' (i)\* : Investment Properties at 31st March 2021

(₹ in lakhs except stated otherwise)

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2020	Additions	Disposals	Closing as at 31 March 2021	Accumulated Depreciation	Depreciation and Amortization for the year	Eliminated on disposal of assets	Closing as at 31 March 2021	As At 31 March 2021	As At 31 March 2020
Leasehold Land	998.53	-	-	998.53	-	-	-	-	998.53	998.53
Building & Civil Works	2,102.07	-	-	2,102.07	669.98	53.70	-	723.68	1,378.39	1,432.09
Utility Installations	26.19	-	-	26.19	17.50	1.28	-	18.78	7.41	8.69
	<b>3,126.79</b>	<b>-</b>	<b>-</b>	<b>3,126.79</b>	<b>687.48</b>	<b>54.98</b>	<b>-</b>	<b>742.46</b>	<b>2,384.33</b>	<b>2,439.31</b>

NOTE '2A' (ii)\* : Investment Properties at 31st March 2020

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block			
	Opening as at 1 April 2019	Additions	Disposals	Closing as at 31 March 2020	Accumulated Depreciation	Depreciation & Amortization for the Year	Eliminated on disposal of assets	Closing as at 31 March 2020	As At 31 March 2020	As At 31 March 2019
Leasehold Land	998.53	-	-	998.53	-	-	-	-	998.53	998.53
Building & Civil Works	2,102.07	-	-	2,102.07	615.34	54.64	-	669.98	1,432.09	1,486.73
Utility Installations	26.19	-	-	26.19	16.22	1.28	-	17.50	8.69	9.97
	<b>3,126.79</b>	<b>-</b>	<b>-</b>	<b>3,126.79</b>	<b>631.56</b>	<b>55.92</b>	<b>-</b>	<b>687.48</b>	<b>2,439.31</b>	<b>2,495.23</b>

### NOTE "2A" : ADDITIONAL NOTES

Investment properties comprises of factory, land and buildings (including installation) at Harohalli, Karnataka, which is leased for an initial lease period of 9 years with lock in period of 3 years ending in September 2021 and with an option of renewal on mutually agreeable terms. Subsequent renewals will be negotiated with the lessee depending on the market condition of Company's business.

#### Amounts recognised in profit and loss for investment properties

Rental income from investment properties	315.00	31 March 2020
Less: Depreciation	54.98	300.00
Profit arising from investment properties before indirect expenses	260.02	55.92
		244.08

**Estimation of fair value :** The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, accessibility, frontage and visibility. The aforesaid fair value is based on valuations performed by an accredited independent valuer.

#### Fair Value of Investment Property

	As at 31 March 2021	
	Level 2	Fair value
Land and Building		3,800.00
Utilities		7.41
	<b>As at 31 March 2020</b>	
Land and Building		3,800.00
Utilities		8.69

The underlying land parcel of the subject property has been valued using the Direct Comparison Approach and the value of built-up structures & site improvements in the property has been estimated using Depreciated Replacement Cost Method. The fair value measurement is categorised in level 2 fair value hierarchy.

## NOTES FROMING PART OF THE BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)

### Methodology adopted

The underlying land parcel of the subject property has been valued using the Direct Comparison Approach and the value of built-up structures & site improvements in the property has been estimated using Depreciated Replacement Cost Method. The fair value measurement is categorized in level 2 fair value hierarchy.

**NOTE "2B" : Right of use (Assets) - As at March 31, 2021** (₹ in lakhs except stated otherwise)

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block As at March 31, 2021	
	Opening as at 1 April 2020	Recognised during the year	Deductions/ adjustment	As at March 31, 2021	As at April 1, 2020	Charge for the year		Deductions/ adjustment
Leases- Land	1,471.37	-	-	1,471.37	18.09	18.09	-	1,435.19
Leases -Building	3,903.55	626.34	-	4,529.90	473.86	806.88	-	3,249.16
<b>Total</b>	<b>5,374.92</b>	<b>626.34</b>	<b>-</b>	<b>6,001.27</b>	<b>491.95</b>	<b>824.97</b>	<b>-</b>	<b>4,684.35</b>

Note: The amortisation for the year in the subsidiary includes ₹ 203.52 lakhs being the amount recorded under "Capital work in progress" relating to recycling unit at Bidadi.

### NOTE "2B" : Right of use (Assets) - As at March 31, 2020

ITEM	Gross Block			Accumulated Depreciation And Amortization			Net Block As at March 31, 2020	
	Opening as at 1 April 2019	Recognised during the year	Deductions/ adjustment	As at March 31, 2020	As at April 1, 2019	Charge for the year		Deductions/ adjustment
Leases- Land	-	1,471.37	-	1,471.37	-	18.09	-	1,453.28
Leases -Building	-	3,903.55	-	3,903.55	-	473.86	-	3,429.69
<b>Total</b>	<b>-</b>	<b>5,374.92</b>	<b>-</b>	<b>5,374.92</b>	<b>-</b>	<b>491.95</b>	<b>-</b>	<b>4,882.97</b>

### NOTE "2C":

Capital work in progress includes the following direct expenses relating to recycling plant (subsidiary).

Particulars	Amount in lakhs
Cost of materials consumed (net)	69.26
Other manufacturing expenses	96.09
Employee benefit expenses	22.81
Finance cost on lease liability	82.84
Amortization of right-of-use asset	203.52
Other expenses	24.04
<b>Total</b>	<b>498.56</b>

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "2D": LEASE LIABILITIES</b>		
Non-current lease liabilities	2,593.26	2,819.46
Current lease liabilities	808.37	602.12
Movement in lease liabilities		
Opening Lease Liability	3,421.58	-
Addition during the year	612.41	3,763.93
Finance Cost accrued during the year	299.50	182.09
Payment of Lease Liabilities	931.86	524.45
Closing Lease Liability	3,401.63	3,421.58
Maturity analysis of lease liabilities (Cash Outflow undiscounted)		
a. Not later than one year	978.82	883.75
b. Later than one year and not later than five years	2,780.91	2,869.17
c. Later than five years	520.93	610.21
<b>Financial Assets</b>		
<b>NOTE "3" : LOANS &amp; ADVANCES</b>		
<b>Non-Current</b>		
(Unsecured, considered good)		
Security deposits	706.19	424.99
Rental deposits	421.40	336.55
<b>Total</b>	<b>1,127.59</b>	<b>761.54</b>
<b>NOTE "4" : OTHER NON-CURRENT ASSETS</b>		
<b>Non-Current</b>		
Capital advances	2,245.82	1,629.37
VAT refundable	3.44	3.44
Current tax assets (Net of Provision for tax) *	2,453.33	1,303.72
<b>Total</b>	<b>4,702.59</b>	<b>2,936.53</b>
* Includes Income Tax paid under protest of ₹ 25 lakhs (previous year ₹ 25 lakhs).		
<b>NOTE "5" : LONG TERM INVESTMENTS</b>		
<b>(Unquoted, at cost)</b>		
<b>Four EF Renewables Private Limited</b>		
82,135 Equity shares of Rs.100 each	82.14	-
1,64,271 Compulsorily Convertible Preference Shares of Rs.100 each	164.27	-
	<b>246.41</b>	<b>-</b>

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
 (₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Current Assets</b>		
<b>NOTE "6" : INVENTORIES</b>		
(At cost or net realisable value whichever is lower)		
Raw materials	13,032.21	9,362.75
Packing materials	507.32	547.22
Work-in-progress	550.34	322.75
Finished goods	8,699.65	11,221.58
Stock-in-trade	475.72	254.32
Stores, Spares and Consumables	1,409.70	1,187.33
<b>Total</b>	<b>24,674.94</b>	<b>22,895.95</b>
<b>Financial Assets</b>		
<b>NOTE "7" : TRADE RECEIVABLES</b>		
<b>Current</b>		
Unsecured, considered good	19,978.16	18,794.75
Unsecured, considered doubtful	348.18	225.12
	<u>20,326.34</u>	<u>19,019.87</u>
Less : Expected credit loss provision	348.18	225.12
<b>Total</b>	<b>19,978.16</b>	<b>18,794.75</b>
The average credit period on sales of goods is ranging from 1 to 120 days		
<b>Movement in Expected Credit Loss Allowance:</b>		
Balance at the beginning of the year	225.12	153.93
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	163.10	114.65
Less: Bad debts written off	0.57	17.78
Less: Collected against opening provision	39.46	25.68
Balance at the end of the year	348.18	225.12
<b>NOTE "8" : CASH AND CASH EQUIVALENTS</b>		
Cash on hand	8.13	24.69
<b>Balances with banks</b>		
In Current accounts	24.52	42.54
<b>Total</b>	<b>32.65</b>	<b>67.23</b>
<b>NOTE "9" : OTHER BANK BALANCES</b>		
Margin money deposit against Bank Guarantee and Letters of credit	45.41	1,272.76
Term deposit	0.25	0.25
Unclaimed dividend account	8.88	10.07
<b>Total</b>	<b>54.54</b>	<b>1,283.08</b>

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "10" : OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
Interest accrued but not received	19.63	33.73
EXIM Scrips Receivable	69.94	40.51
<b>Total</b>	<b>89.57</b>	<b>74.24</b>
<b>NOTE "11" : OTHER CURRENT ASSETS</b>		
Balances with government authorities		
Customs duty deposit	84.33	18.89
Current tax assets (Net of Provision for tax)	-	412.10
GST receivable	1,507.03	1,279.58
Other deposit	12.32	12.31
<b>Total A</b>	<b>1,603.68</b>	<b>1,722.88</b>
<b>Other loans and advances</b>		
Prepaid expenses	508.85	442.85
Advance to employees	7.66	20.89
Advance to suppliers	2,213.12	4,488.35
Earnest money deposit	27.42	19.26
<b>Total B</b>	<b>2,757.05</b>	<b>4,971.35</b>
<b>Total (A+B)</b>	<b>4,360.73</b>	<b>6,694.23</b>

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount

**NOTE "12A" : SHARE CAPITAL**

**Authorised capital**

Equity shares of ₹ 10/- each (previous year ₹ 10/- each)	1,50,00,000	1,500.00	1,50,00,000	1,500.00
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**Issued, subscribed and paid-up capital**

Equity shares of ₹ 10/- each (previous year ₹ 10/- each)				
Fully called and paid up in cash	1,35,47,700	1,354.77	1,35,47,700	1,354.77
Add: Forfeited shares (amount originally paid up)	2,39,500	17.09	2,39,500	17.09

(239,500 equity shares have been forfeited on 30.09.1997 for non-payment of allotment money)

<b>Total</b>		<b>1,371.86</b>		<b>1,371.86</b>
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**(i) Reconciliation of no. of Equity Shares outstanding at the beginning and at the end of the current period:**

Particulars	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares of face value ₹ 10/- each</b>				
As at beginning of the year	1,35,47,700	1,354.77	1,35,47,700	1,354.77
Add: number of shares issued during the year	-	-	-	-
Less: number of shares bought back during the year	-	-	-	-
<b>As at end of the year</b>	<b>1,35,47,700</b>	<b>1,354.77</b>	<b>1,35,47,700</b>	<b>1,354.77</b>

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**

(₹ in lakhs except stated otherwise)

**(ii) Share holders holding more than 5% equity shares in the Company:**

Class of share / Name of the shareholder	No of Shares held	% of Shares held	No of Shares Held	% of Shares held
Equity shares of face value ₹ 10/- each				
AI lenarco midco limited	1,31,73,990	97.24%	1,04,64,450	77.24%
Hitech creations private limited	-	-	9,50,768	7.02%
Mphinite solutions private limited	-	-	11,63,457	8.59%

(iii) The Group has only one class of shares. Each Equity Share holder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
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**NOTE "12B" : OTHER EQUITY**
**General Reserve:**

Balance as at the beginning of the year.	1,300.00	1,300.00
Add/(Less): Transferred from current period surplus	-	-
<b>Balance as at the end of the year</b>	<b>1,300.00</b>	<b>1,300.00</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Securities Premium:**

Balance as at the beginning of the year	2,735.32	2,735.32
Add/(Less) : Premium on Fresh Issue of Shares	-	-
<b>Balance as at the end of the year</b>	<b>2,735.32</b>	<b>2,735.32</b>

Securities Premium is used to record the premium on issue of shares.

The reserve is utilised in accordance with the Provisions of the Companies Act, 2013.

**Equity component of compulsorily convertible debentures**

Balance as at the beginning of the year	1,901.70	1,901.70
Add/(Less) : Issue and conversion of Compulsorily Convertible Debentures -Equity Component	-	-
<b>Balance as at the end of the year</b>	<b>1,901.70</b>	<b>1,901.70</b>

**Retained Earnings**

Balance as at the beginning of the year	37,961.51	31,311.96
Add/(Less): Net Profit after tax transferred from Statement of Profit and Loss	9,049.31	6,649.55
<b>Balance as at the end of the year</b>	<b>47,010.82</b>	<b>37,961.51</b>

Retained earnings: The cumulative gain or loss arising from the operations which is retained by the Group is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the Consolidated Statement of Profit and Loss to the Retained earnings.

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
(₹ in lakhs except stated otherwise)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non Current	Current	Non Current
<b>Financial liabilities</b>				
<b>NOTE "13" : NON-CURRENT BORROWINGS</b>				
<b>Secured</b>				
<b>Term loans</b>				
(i) Rupee term loan (refer note 13.1 below)	8,155.74	17,820.66	5,997.02	15,682.11
(ii) Buyer's credit (refer note 13.2 below)	-	-	-	1,587.37
(iii) Compulsorily convertible debentures (refer note 13.3 below)	316.69	1,221.73	131.68	1,488.23
<b>Total</b>	<b>8,472.69</b>	<b>19,042.39</b>	<b>6,128.70</b>	<b>18,757.71</b>

**Note 13.1:**

Particulars	Current	Non-current	Current	Non-current	Repayable in number of installments	Repayment commencing from	Rate of interest in %	Number of instalments remaining	Security
	31 March 2021		31 March 2020						
Term Loan 3 -SBI	387.00	-	1,890.00	394.76	28	Sep-13	7.90%	1	Hypothecation of Company's present and future movable fixed assets comprising Plant and Machineries, Equipment, etc. along with equitable mortgage of immovable properties located at Bengaluru, Baddi, Pantnagar, and Amritsar.
Term Loan 6 -SBI	-	-	81.67	-					
Term Loan 8 - SBI	173.20	215.96	173.00	389.20	24	May-17	7.90%	9	
Term Loan 9 - SBI	484.00	528.93	484.00	1,091.58	24	May-17	7.90%	9	
Term Loan 8-II - SBI	128.80	160.24	128.67	289.04	24	May-17	7.90%	9	
Term Loan 9-II - SBI	484.00	596.14	484.00	1,080.23	24	May-17	7.90%	9	
Term Loan 12 - SBI	1,027.00	1,439.65	1,027.00	1,896.80	22	Mar-18	7.90%	11	
ICICI Term Loan I & II	2,254.30	2,807.14	1,440.30	5,061.37	24	Nov-17	7.95%	9	
KMB Term Loan 1 & 2	1,717.44	6,447.60	288.38	5,479.13	20	Feb-21	7.70%	19	
HDFC Term Loan	1,500.00	5,625.00			20	Jan-21	7.50%	19	
<b>Total</b>	<b>8,155.74</b>	<b>17,820.66</b>	<b>5,997.02</b>	<b>15,682.11</b>					

Note 13.2 : Buyer's Credit represents liability for capital goods settled on the basis of letters of credit issued by State Bank of India. Security for the said Buyer's credit are same as stated above in Note 13.1.

Note 13.3 : During the year 2019-20, the Company issued 35,21,614 Compulsory Convertible Debentures ("CCD") at par with face value of Rs. 100 each amounting to Rs.35,21.61 lakhs. The "CCD" has a tenure of 8 years and is convertible into 2,15,000 equity shares at the earlier of: (i) the exercise of the option to convert the CCDs into Equity Shares by the Investor; or (ii) the expiry of tenor. The simple interest rate of 9% is payable on the value of CCD on half yearly basis. The Company has classified the "CCD" as compound financial instrument and has computed debt and equity element and disclosed the same accordingly.

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**  
 (₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "14" : OTHER FINANCIALS LIABILITIES</b>		
<b>Non-Current</b>		
Rental deposit	97.28	89.06
Security deposit	29.92	40.00
Gratuity (refer note 40)	576.75	482.57
Deferred purchase consideration	-	4,559.18
Deferred Rent	-	2.51
<b>Total</b>	<b>703.95</b>	<b>5,173.32</b>
<b>NOTE "15" : NON-CURRENT PROVISIONS</b>		
Compensated absences	580.15	409.12
For Others	-	7.20
<b>Total</b>	<b>580.15</b>	<b>416.32</b>
<b>NOTE "16" : DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax assets</b>		
Gratuity	144.94	144.73
Compensated absences	164.19	131.33
Other employee benefits	111.84	120.33
Provision for doubtful trade receivables	87.63	23.66
Provision of expenses	45.61	-
<b>Total A</b>	<b>554.21</b>	<b>420.05</b>
<b>Deferred Tax Liabilities</b>		
Depreciation on property, plant and equipment/amortisation of goodwill	1,001.56	1,117.43
Right of Use Assets	337.01	-
<b>Total B</b>	<b>1,338.57</b>	<b>1,117.43</b>
<b>Deferred Tax Liabilities (Net) (B-A)</b>	<b>784.36</b>	<b>697.38</b>
<b>Financial Liabilities</b>		
<b>NOTE "17" : CURRENT BORROWINGS</b>		
<b>Current, secured ( refer Note 17.1 below )</b>		
Working capital loans	20,657.30	25,010.72
<b>Total</b>	<b>20,657.30</b>	<b>25,010.72</b>
Note 17.1 : Working Capital loans from banks are secured pari passu against property, plant and equipment, and current assets of the Company, present and future.		
<b>NOTE "18" : TRADE PAYABLE</b>		
<b>Current</b>		
Due to Micro Enterprises and Small Enterprises (refer note below )	76.85	100.39
Other than Micro Enterprises and Small Enterprises	11,813.79	9,870.22
<b>Total</b>	<b>11,890.64</b>	<b>9,970.61</b>

**NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2021 (Contd...)**

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Note :</b>		
<b>Due to Micro Enterprises and Small Enterprises</b>		
Details relating to dues to Micro and Small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the Management and relied upon by the Auditors'. The Company has not received any claim for interest from any supplier under the said Act. The following table provides the details:		
The principal amount remaining unpaid to any supplier as at the end of each accounting year.	76.85	100.37
Interest due there on remaining unpaid to any supplier at the end of each accounting year.	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
<b>NOTE "19" : OTHER FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Current maturities of Long term borrowings (refer note 13)	8,472.69	6,128.70
Interest accrued but not due on borrowings	1.20	63.15
Creditors for capital goods	1,101.41	1,734.37
Gratuity (refer note 40)	31.70	82.37
Derivatives on foreign exchange forward contracts	2.64	5.65
Deferred purchase consideration (refer note 39)	2,087.86	3,781.72
Deferred Interest Income	-	36.25
Unclaimed dividends	8.88	10.07
<b>Total</b>	<b>11,706.38</b>	<b>11,842.28</b>
<b>NOTE "20" : PROVISIONS</b>		
<b>Current</b>		
Compensated absences	88.03	103.73
Provision for Income Tax (net of advance tax)	1,218.18	-
<b>Total</b>	<b>1,306.21</b>	<b>103.73</b>
<b>NOTE "21" : OTHER CURRENT LIABILITIES</b>		
<b>Statutory Liabilities</b>		
(i) Tax deducted at source	113.13	135.58
(ii) Other statutory liabilities	156.37	159.08
Advance from customers	2,330.98	372.31
Unearned Rental Income	2.51	7.56
<b>Total</b>	<b>2,602.99</b>	<b>674.53</b>

**NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021**

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "22" : REVENUE FROM OPERATIONS</b>		
<b>Products</b>		
Domestic ( Refer note 22(i) below)	92,314.61	95,143.52
Exports	4,173.83	4,594.83
<b>Other operating income</b>		
Job-work income	7,537.69	7,908.62
Sale of export incentive scrips	113.19	115.70
Storage and goods handling income	347.04	192.39
Design and development Services	81.95	23.68
Discount and rebates	36.16	108.63
Miscellaneous receipts	78.58	25.74
<b>Total</b>	<b>1,04,683.05</b>	<b>1,08,113.11</b>
<b>Notes 22 (i)</b> The Group derives its revenue from contracts with customers for the transfer of goods and services at a point in time from sale of PET preforms, plastic containers and shrink film which constitutes a single operating business segment (Refer Note 47)		
<b>NOTE "23" : OTHER INCOME</b>		
<b>A. Interest</b>		
On margin money deposits	43.63	62.23
On other deposits	46.80	16.88
<b>Total (A)</b>	<b>90.43</b>	<b>79.11</b>
<b>B. Dividend Income</b>		
Dividend Income from Mutual funds	-	4.74
<b>Total (B)</b>	<b>-</b>	<b>4.74</b>
<b>C. Other Income</b>		
Profit on Sale of Property, Plant and Equipment	-	1,114.87
Rental income	315.00	300.00
Profit on sale of Mutual Funds	11.26	13.18
Foreign currency exchange gain (Net)	71.14	131.27
Sundry creditor's balance written back	226.38	-
<b>Total (C)</b>	<b>623.78</b>	<b>1,559.32</b>
<b>Total (A+B+C)</b>	<b>714.21</b>	<b>1,643.17</b>
<b>NOTE "24" : COST OF MATERIALS CONSUMED</b>		
Opening Stock - Raw Materials	9,362.75	10,839.04
Opening Stock - Packing Materials	547.22	804.14
Add: Purchase of Raw Materials (Net of Returns)	52,172.15	57,607.18
Add: Purchase of Packing Materials (Net of Returns)	4,219.19	3,800.00
	<b>66,301.31</b>	<b>73,050.36</b>
Less: Closing Stock - Raw Materials	13,032.21	9,362.75
Less: Closing Stock - Packing Materials	507.32	547.22
<b>Subtotal:</b>	<b>52,761.78</b>	<b>63,140.39</b>
Less: Amount transferred to capital work in progress relating to recycling plant in subsidiary (refer note 2C)	69.26	-
<b>Cost of Materials Consumed</b>	<b>52,692.52</b>	<b>63,140.39</b>

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "25" : CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
Opening Stock of Finished Goods	11,221.58	8,559.54
Opening stock-in-trade	254.32	284.76
Opening stock of work-in-progress	322.75	-
Less : Closing Stock of Finished Goods	8,699.65	11,221.58
Less : Closing stock-in-trade	475.72	254.32
Less : Closing stock of work-in-progress	550.34	322.75
<b>Net (Increase) / Decrease</b>	<b>2,072.94</b>	<b>(2,954.35)</b>
<b>NOTE "26" : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and allowances	7,778.00	6,770.55
Directors' remuneration	410.12	491.44
Contribution to Provident and other funds	474.20	422.89
Share-based payments (Refer note 42)	405.68	326.14
Staff welfare expenses	395.89	338.05
<b>Subtotal:</b>	<b>9,463.89</b>	<b>8,349.07</b>
Less: Amount transferred to capital work in progress relating to recycling plant in subsidiary (refer note 2C)	22.81	-
<b>Total</b>	<b>9,441.08</b>	<b>8,349.07</b>
<b>NOTE "27" : OTHER MANUFACTURING EXPENSES</b>		
Power and Fuel charges	6,593.17	7,398.84
<b>Repairs &amp; Maintenance</b>		
Building & Civil Works	251.43	172.69
Plant & Machinery	190.33	174.74
Others	223.40	190.56
<b>Others</b>		
Job work charges	68.06	25.16
Labour charges	4,139.49	3,749.94
Water charges	4.53	5.12
Consumable & Stores	1,224.93	996.61
Freight and Transportation	344.93	277.25
<b>Subtotal:</b>	<b>13,040.27</b>	<b>12,990.91</b>
Less: Amount transferred to capital work in progress relating to recycling plant in subsidiary (refer note 2C)	96.09	-
<b>Total</b>	<b>12,944.18</b>	<b>12,990.91</b>

**NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED  
 31 MARCH, 2021**

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "28" : FINANCE COST</b>		
<b>A) Interest cost</b>		
On Rupee Loans - Term Loans	2,044.32	1,569.87
- Cash Credit	1,512.56	1,754.17
On FCNRB Loans - Term Loans	28.34	28.34
On Buyer's credit	9.05	76.60
On bill discounting	255.24	392.04
Others	181.23	54.48
Realsised loss on Forward Contracts	30.02	102.79
Mark to Market Loss on Forward Contracts	-	5.65
Lease Liabilities	299.50	181.64
<b>B) Other borrowing cost</b>		
Bank commission and charges	45.81	120.07
<b>Subtotal:</b>	<b>4,406.07</b>	<b>4,285.65</b>
Less: Amount transferred to capital work in progress relating to recycling plant in subsidiary (refer note 2C)	82.84	-
<b>Total</b>	<b>4,323.23</b>	<b>4,285.65</b>
<b>NOTE "29" : OTHER EXPENSES</b>		
Business acquisition expenses	-	256.00
Rent	78.89	106.24
Rates, taxes and other fees	254.31	151.99
Insurance premium	293.90	282.90
Conveyance	124.37	143.09
Vehicles running and maintenance	73.29	86.26
Telephone charges	59.72	54.51
Printing and stationery	46.27	41.74
Postage and telegrams	62.06	49.62
Professional charges	795.49	965.69
Commission to directors	117.50	103.87
Electricity charges	22.40	29.76
Membership and subscription	27.91	50.38
Computer maintenance	159.79	102.54
Hire charges of equipments	32.61	30.95
<b>Auditors Remuneration</b>	-	-
- as auditor	29.75	20.00
- for taxation matters	-	4.00
- for other services	-	12.15

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in lakhs except stated otherwise)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>NOTE "29" : OTHER EXPENSES (Cond...)</b>		
Security service charges	169.02	139.72
Travelling expenses	193.24	408.15
Provision for doubtful trade receivables	123.07	92.34
Trade advances written off	56.55	0.68
Loss on Property, plant and equipment sold / discarded (net)	41.18	66.16
Corporate Social Responsibility	131.50	316.25
Advertisement , publicity and sales promotion	77.54	229.60
Freight outwards	3,338.67	3,134.63
Miscellaneous expenses	72.87	89.25
<b>Subtotal:</b>	<b>6,381.90</b>	<b>6,968.47</b>
Less: Amount transferred to capital work in progress relating to recycling plant in subsidiary (refer note 2C)	24.04	-
<b>Total</b>	<b>6,357.86</b>	<b>6,968.47</b>

### NOTE: 30 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

#### (a) Accounting classifications and fair values

The financial assets and financial liabilities of the Group are of Level III category except for forward contracts derivative instruments which are classified as Level II. The following table shows the carrying amounts and fair values of the financial assets and liabilities.

PARTICULARS	As at 31 March 2021 Carrying amount / Fair Value	As at 31 March 2020 Carrying amount / Fair Value
<b>Financial assets measured at amortized cost</b>		
Trade receivables	19,978.16	18,794.75
Cash and cash equivalents	32.65	67.23
Other bank balance	54.54	1,283.08
Security deposits	706.19	424.99
Rental deposits	421.40	336.55
Other financial assets	89.57	74.24
<b>Total</b>	<b>21,282.51</b>	<b>20,980.84</b>
<b>Financial liabilities measured at amortised cost</b>		
Borrowings	48,172.38	49,897.13
Lease deposits	97.28	89.06
Security deposits	29.92	40.00
Deferred rent	-	2.51
Trade payables	11,890.64	9,970.61

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in lakhs except stated otherwise)

### NOTE: 30 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Cond...)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Other financial liabilities	3,231.05	5,707.93
Lease liabilities	3,401.63	3,421.58
<b>Financial liabilities measured at fair value</b>		
Forward contracts payable (net of receivable)	2.64	5.65
<b>Total</b>	<b>66,825.54</b>	<b>69,134.47</b>

#### Note: 30 (i)

The Group's Management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### Note: 30 (ii)

The Forward contracts have been taken by the Group for hedging its foreign currency exposures for both receivable and payable in foreign currencies, and its fair value has been determined based on the forward rate provided by the bank for outstanding forward contracts.

### NOTE: 31 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- credit risk (refer note (b) below)
- liquidity risk (refer note (c) below)
- market risk (refer note (d) below)

#### (a) Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

The Holding Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### (b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans to related parties and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

### (i) Trade and other receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Deposits mainly consist of deposits made to government entities.

#### **Expected credit loss (ECL) assessment for customers as at 31 March 2020 and 31 March 2021**

The Group provides for loss allowance on trade receivables based on life-time expected credit loss. For the assessment of life-time expected credit loss, assets are classified into three categories as Standard and doubtful based on the counter-party's capacity to meet the obligations and provision is determined accordingly. Standard assets are those where the risk of default is negligible. Doubtful assets are those where the credit risk is significantly increased / are impaired. Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to repay the Group, as per the agreed terms. Where loans or receivables have been written off, the Group continues to engage in recovery of the receivables due. Where recoveries are made, these are recognized in Statement of Profit and Loss.

### (ii) Cash and cash equivalents

The Group holds cash and cash equivalents of ₹ 32.65 lakhs at 31 March 2021 (31 March 2020: ₹ 67.22 lakhs). The cash and cash equivalents are mainly held with nationalised banks which have a very low risk of default.

### (c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring losses or causing damage to the Group's reputation.

#### ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2021	Carrying amount	Total	0–12 months	1–5 years	More than 5 years
Borrowings	48,172.38	48,172.38	29,129.99	19,042.38	0.01
Lease liabilities	3,401.63	3,401.63	808.37	2,141.78	451.48
Lease deposits	97.28	97.28	-	-	97.28
Security deposits	29.92	29.92	29.92	-	-
Trade payables	11,890.64	11,890.64	11,890.64	-	-
Other payables	3,233.69	3,233.69	3,233.69	-	-
	<b>66,825.54</b>	<b>66,825.54</b>	<b>45,092.61</b>	<b>21,184.16</b>	<b>548.77</b>

**NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021**

(₹ in lakhs except stated otherwise)

**NOTE: 32 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)**
**ii) Maturities of financial liabilities (continued)**

As at 31 March 2020	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Borrowings	49,897.13	49,897.13	31,139.42	18,757.71	-
Lease liabilities	3,421.58	3,421.58	602.12	2,294.90	524.56
Lease deposits	89.06	89.06	-	-	89.06
Security Deposit	40.00	40.00	40.00	-	-
Trade payables	9,970.61	9,970.61	9,970.61	-	-
Other payables	5,713.58	5,713.58	5,713.58	-	-
	<b>69,131.96</b>	<b>69,131.96</b>	<b>47,465.73</b>	<b>21,052.61</b>	<b>613.62</b>

**NOTE: 33 MARKET RISK**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**i) Currency risk**

Majority of the transactions entered into the Group are denominated in INR. However, for certain transactions which are entered in foreign currency, the Group enters into forward exchange contract to mitigate the risks associated with foreign currency fluctuations.

**Outstanding forward contracts**

i. Outstanding short term forward exchange contracts entered into by the Group on account of payables:

As at	No. of Contracts	Currency	Amount
31 March 2021	7	USD	744.45
31 March 2020	8	USD	936.28
31 March 2020	1	JPY	406.41

ii. Outstanding Short Term Forward Exchange Contracts entered into by the Group on account of receivables:

As at	No. of Contracts	Currency	Amount
31 March 2021	5	USD	327.86
31 March 2020	24	USD	1,536.49

**ii) Interest rate risk**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

## NOTES TO THE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in lakhs except stated otherwise)

### Exposure to interest rate risk

The exposure of the Group's borrowing to interest rate changes at the end of the year are as follows :-

	31 March 2021	31 March 2020
Variable rate borrowings	48,172	49,897
Fixed rate borrowing	-	-
<b>Total Borrowings</b>	<b>48,172</b>	<b>49,897</b>

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Impact on Profit or Loss
	1% increase or decrease
<b>31 March 2021</b>	
Variable rate borrowings	481.72
<b>31 March 2020</b>	
Variable rate borrowings	498.97

### NOTE "34": ASSESSMENT OF IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment at least annually. Impairment is recognized, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital".

The key assumptions are as follows:

Assumptions	As at 31-03-2021
Terminal growth rate (%)	4%
Discount rate (%)	14%

As at 31 March 2021 the estimated recoverable amount of the Cash Generating Unit exceeded its carrying amount and accordingly, no impairment was recognized.

### NOTE "35": CONTINGENT LIABILITIES

Particulars	As on 31 March 2021			As on 31 March 2020		
	Total liability	Margin/ deposits	Net liability	Total liability	Margin/ deposits	Net liability
Disputed liability towards income taxes under appeals relating to disallowance of expenditure and allowance for depreciation.	1,164.99	25.00	1,139.99	1,164.99	25.00	1,139.99

Future cash flows in respect of above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Group is confident that the above appeals are sustainable at law.

**NOTE “36”: CAPITAL COMMITMENTS**

(₹ in lakhs except stated otherwise)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	23,343.20	7,480.31

**NOTE “37”: RELATED PARTY DISCLOSURES**
**List of related parties and their relationship**

- A) Al Lenarco Midco Limited, Holding company (w.e.f 01.01.2020)
- B) **Enterprises in which Directors have significant influence**
- a) Mphinite Solutions Private Limited, (upto 10/10/2020)
- b) Manjushree Fincap Private Limited, (upto 10/10/2020)
- c) Shruti Financial Services Private Limited, (upto 10/10/2020)
- d) Hitech Creations Private Limited, (upto 10/10/2020)
- C) **Key managerial person (KMP)**
- a) Vimal Kedia, (upto 10/10/2020)
- b) Surendra Kedia, (upto 10/10/2020)
- c) Sanjay Kapote, Managing Director & CEO
- D) **Relatives of Key managerial person (KMP)**
- a) Rajat Kedia (upto 10/10/2020)
- b) Ankit Kedia (upto 10/10/2020)

Nature of transactions and related parties	Year Ended March 31, 2021	Year Ended March 31, 2020
i) Remuneration / Commission paid to Directors		
Vimal Kedia	103.59	202.95
Surendra Kedia	60.42	76.88
Sanjay D Kapote	242.69	211.61
(ii) Rent expenses		
Hitech Creations Private Limited	-	1.94
(iii) Sale of property, plant and equipment		
Mphinite Solutions Private Limited	8.50	-
Hitech Creations Private Limited	-	14.60
Manjushree Fincap Private Limited	-	7.14
Shruti Financial Services Private Limited	-	10.07
(ix) Travelling expenses reimbursed		
Relative of key managerial person		
Ankit Kedia	-	6.82

Nature of transactions and related parties	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Payable to related parties</b>		
Towards reimbursement of travelling expenses		
Vimal Kedia	-	3.18
Surendra Kedia	-	0.99
Rajat Kedia	-	0.69

Note - Remuneration to KMP does not include provision for gratuity and compensated absences, which are determined based on actuarial valuation for the Company as a whole.

(₹ in lakhs except stated otherwise)

**NOTE “38”: ACQUISITION OF PEARL POLYMERS LIMITED**

The Holding company entered into a Business Transfer Agreement dated 21 September 2020 (as amended on 8 April 2021), to acquire the business of Pearl Polymers Limited (PPL) for an initial purchase consideration of Rs. 9,250 lakhs.

Under the agreement, the Holding company will acquire the immoveable properties, certain items of Plant & machinery, Intellectual property rights for certain designs, and certain customer contracts. Certain identified employees of PPL will also be transferred to the Holding company. As contained in the agreement, the initial purchase consideration as mentioned above will be adjusted for working capital position as at date of acquisition, to determine the net amount to be paid.

The Holding company and PPL have mutually agreed that the date of acquisition will be 12 April 2021. As per the agreement the working capital position as at 12 April 2021 will have to be determined by 27 May 2021. (Exact working capital position as at 12 April 2021 is yet to be determined.) Subsequent to the year end, the Holding company has paid Rs. 7,960 lakhs.

**NOTE “39”: ACQUISITION OF “NATIONAL PLASTICS” (NAPLA)**

A) During the previous year, the Group had acquired in scheme of slump sale, a running unit engaged in the business of manufacturing, marketing, and distributing of sprayers, pumps, dispensers and triggers under the name of “National Plastics” situated at Amritsar, Punjab pursuant to Business Transfer Agreement signed on 21 October 2019, at a consideration of ₹ 169,37.79 lakhs including earn payout consideration of ₹ 3,000 lakhs. The acquisition was accounted for in accordance with IndAs 103, “Business Combination”. The consideration transferred for the acquisition comprised of:

- (i) Fair values of the assets transferred, reduced by
- (ii) Liabilities incurred to the former owners of the acquired business.

The total fair value of net assets taken over by the Group was around ₹ 2,390.55 lakhs excluding intangible assets. However it includes fair value of tangible fixed assets taken over of ₹ 1,568.07 lakhs. The Group had recognised total intangible assets of ₹ 13,902.99 lakhs, of which, goodwill was ₹ 8,000 lakhs.

B)

Particulars	Fair value recognized on acquisition
Property, plant and equipment	1,568.07
Intangible assets (patent, trade marks, customer contracts and brand)	13,902.99
Stock-in trade	287.59
Financial assets	861.79
<b>Total assets</b>	<b>16,620.44</b>
<b>Liabilities</b>	
Financial liabilities	326.91
<b>Total liabilities</b>	<b>326.91</b>
<b>Total identifiable net assets at fair value</b>	<b>16,293.53</b>
<b>Purchase consideration</b>	<b>16,293.53</b>

(₹ in lakhs except stated otherwise)

- C) The Company had recognised fair value of assets and liabilities as above in the Balance Sheet in the year 2019-20.
- D) **Deferred consideration**  
 As per terms of the Business Transfer Agreement, amount of ₹ 5,062 lakhs were deferred which was agreed to be paid on meeting certain terms and conditions in two installments of ₹ 2,062 lakhs and ₹ 3,000 lakhs, respectively. Further, deferred consideration was discounted to present value and recognized at amortised cost in the books as at 31 March 2020.

#### NOTE "40": EMPLOYEE BENEFITS

Gratuity: In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Group makes annual contribution to the gratuity fund administered by Life Insurance Companies under their respective Group Gratuity Schemes.

The disclosure in respect of the defined gratuity plan are given below:

Table showing changes in present value of obligations:

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Present value of the obligation at the beginning of the period	748.55	501.04
Interest cost	50.49	33.82
Current service cost	126.81	129.01
Benefits paid (if any)	(73.05)	(67.11)
Actuarial (gain)/loss	(39.07)	148.83
Present value of the obligation at the end of the period	813.73	745.59

Bifurcation of total actuarial (gain)/loss on liabilities

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	(24.55)	67.11
Experience adjustment (gain)/ loss for plan liabilities	(14.52)	81.72
Return on Plan Assets (Greater)/Less than Discount rate	22.45	5.36
Total amount recognised in other comprehensive Income	(16.62)	154.19

Key result (The amount to be recognised in the Balance sheet):

Period	As at March 31, 2021	As at March 31, 2020
Present value of the obligation at the end of the period	846.30	745.59
Fair value of plan assets at end of period	205.28	180.79
Net liability/(asset) recognized in Balance Sheet and related analysis	608.45	564.80
Funded status - surplus/ (deficit)	608.45	(564.80)

(₹ in lakhs except stated otherwise)

**Expense recognized in the statement of profit and loss:**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest cost	50.49	33.82
Current service cost	126.81	129.01
Expected return on plan asset	(13.99)	(11.89)
Expenses to be recognized in P&L	163.31	150.94

**Table showing changes in the fair value of planned assets:**

Period	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the period	180.80	145.26
Gratuity fund relating to acquired business	-	30.89
Expected return on plan assets	13.99	11.89
Contributions	106.00	65.23
Benefits paid	(73.05)	(67.11)
Actuarial gain/(loss) on plan assets	(22.45)	(5.36)
Fair value of plan asset at the end of the period	205.29	180.80

**Experience adjustment (to the extent of information available)**

Period	As at March 31, 2021	As at March 31, 2020
Experience adjustment (gain ) / loss for plan liabilities	(14.52)	81.72
Experience adjustment gain / (loss ) for plan assets	22.45	(5.36)

**The assumptions employed for the calculations are tabulated:**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Discount rate	7.09% per annum	6.75 % per annum
Salary Growth Rate	8.00 % per annum	8.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	6.00% p.a.	6.00% p.a.

**Current Liability (Expected payout in next year as per schedule III of the Companies Act, 2013):**

Period	As at March 31, 2021	As at March 31, 2020
Current liability (short term)*	31.70	82.23
Non current liability-net (long term)	576.75	482.57
Total liability	608.45	564.80

(₹ in lakhs except stated otherwise)

**Sensitivity Analysis disclosure for financial year ended 31 March 2021:**

Particulars	% increase in DBO	Liability	Increase in DBO
Discount Rate +100 Basis Points	-9.811%	733.89	(79.84)
Discount Rate -100 Basis Points	11.64%	908.46	94.73
Salary Growth +100 Basis Points	11.194%	904.81	91.09
Salary Growth -100 Basis Points	-9.602%	735.59	(78.14)
Attrition Rate +100 Basis Points	-1.653%	800.28	(13.45)
Attrition Rate-100 Basis Points	1.878%	829.01	15.28
Mortality Rate 10% Up	-0.044%	813.37	-(0.36)

**Note “41”: RESEARCH AND DEVELOPMENT EXPENDITURE**

The Holding Company has an in-house research and development (R&D) center located at Bidadi and Bommasandra. The Holding Company has obtained recognition from Department of Scientific and Industrial Research w.e.f. 28 January 2014 at Bidadi and w.e.f 1 April 2016 at Bommasandra. It is involved in development activities for new products, improvement in existing products and process improvements.

Details of expenditure incurred on research and development are detailed below:

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Employees cost	-	618.77
Material cost	-	4.91
Travelling & conveyance expenses	-	-
Depreciation	-	75.63
Other expenditure directly related to R&D	-	31.61
<b>Total (A)</b>	-	<b>730.92</b>
Capital expenditure (B)	33.24	13.10
<b>Total (C)</b>	<b>33.24</b>	<b>744.02</b>

**NOTE “42”: SHARE-BASED PAYMENTS**

The Holding Company has approved the 'Manjushree Technopack Limited - Employee Stock Option Plan 2019' ("ESOP 2019" / "Plan") on 6 June 2019 and has granted stock option to certain employees and Directors with grant date as 8 July 2019.

The number and weighted average exercise prices of share options for each of the following groups of options

Period	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Number of share options	Weighted average exercise price (in Rs.)	Number of share options	Weighted average exercise price (in Rs.)
Outstanding at the beginning of the period;	5,41,908	1,637.60	-	-
Granted during the period	-	-	5,41,908	1,637.60
Outstanding at the end of the period	5,41,908	1,637.60	5,41,908	1,637.60

(₹ in lakhs except stated otherwise)

**Compensation expense arising on account of Share based payments**

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Employee Share-based payment (refer note 26)	405.68	326.14

The Holding company has determined the fair value of option based on Black-Scholes-Merton model which is one of the prescribed method under Ind AS 102.

The fair value of each equity settled award is estimated as on grant date using Black Scholes Merton model with the following assumptions.

Particulars	Details
Share price	1,637.60
Exercise price	1,637.60
Expected volatility	0.10%
Expected life of options	1-5
Risk free rate	5.9% to 6.5%
Attrition rate	10.00%

Year	ESOP price ₹
Year 1	94.44
Year 2	187.50
Year 3	278.35
Year 4	366.31
Year 5	450.24

The relevant details of the scheme are as under	
Date of the Grant	08 July 2019
Date of the Board Approval	08 April 2019
Date of Shareholder's Approval	06 June 2019
Number of options granted	5,41,908
Method of settlement	Cash
Vesting period	1-5 years
Fair value on the date of grant	Rs.94.44 to Rs.450.24
Exercise period	As specified in ESOP scheme
Vesting conditions	Service and change of control

**NOTE "43": OPERATING LEASE COMMITMENTS**

The Group's significant leasing arrangements comprise of operating leases for premises (staff quarters, office, stores, etc.). These leasing arrangements range between 11 months and 10 years and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(₹ in lakhs except stated otherwise)

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Not later than one year	978.82	883.75
Later than one year and not later than five years	2,780.91	2,869.17
Later than five years	520.93	610.21

**NOTE “44”: EARNING PER SHARE**

Earnings Per Share (EPS) – EPS is calculated by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Basic earnings per share</b>		
Profit after tax available for equity shareholders	9,049.31	6,649.55
Weighted average number of equity shares	135.48	135.48
Basic earning per share	66.80	49.08
Face value of equity share (₹)	10.00	10.00
<b>Diluted earnings per share</b>		
Profit after tax available for equity shareholders	9,184.93	6,690.31
Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	137.63	137.63
Diluted earning per share	66.74	48.61

**NOTE “45”:**

The Group has considered the possible effects resulting from business disruption due to COVID-19 on the carrying amounts of the components disclosed in the consolidated financial statements. Basis this assessment, the Group believes that these carrying amounts are not impacted by the business disruption due to COVID-19. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Group, as at the date of approval of these financial statements has used internal and external sources of information and economic forecasts. Based on current estimates relating to future Raw Material prices, Future Revenues, Operating Parameters and the Assets' useful life, the Group expects that the carrying amount of these Current and Non- Current assets will be recovered, and it will be able to meet its financial obligations in the normal course of business. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

(₹ in lakhs except stated otherwise)

**NOTE “46”: EXCEPTIONAL ITEMS**

Particulars	Amount
The Company in the previous year acquired business from “National Plastics”(NAPLA) situated in Amritsar, on slump sale basis. NAPLA is engaged in manufacturing, marketing, and distributing of sprayers, pumps, dispensers and triggers. Per the Business Transfer Agreement signed on 21 October 2019, the purchase consideration of ₹169,37.79 lakhs included performance linked milestone based contingent consideration of ₹ 3,000 lakhs. The Holding Company had accounted for the transaction basis the Purchase Price Allocation in line with the requirements of IND AS 103. However, in current year, the performance linked milestone for contingent consideration was not achieved and consequently the company is not liable to pay the contingent consideration. Accordingly the Holding Company has reversed the Fair value of liability relating to contingent consideration and is disclosed under “Exceptional items “in the consolidated statement of Profit and Loss.	2,618.18
Expenses incurred in connection with acquisition of new business	(221.88)
Net Income	<b>2,396.30</b>

**NOTE “47”: OPERATING SEGMENT**

The Group is engaged in the manufacture and sale (both domestic & exports) of ‘PET preforms, plastic containers & shrink film,’ which constitutes single business segment. The Chief Executive Officer, decision maker of the Group, evaluates the Group’s performance and allocates resources on overall basis hence no segment reporting disclosures . Geographical segment disclosure has not been given as more than 95% of the revenue is in the domestic market.

**NOTE “48”: CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to section 135 of the Companies act 2013, the Holding Company has incurred expenses on corporate social responsibility (CSR)

Period	Year Ended March 31, 2021	Year Ended March 31, 2020
Gross amount required to be spent during the year	150.45	139.32
Amount spent during the year on Revenue Expenditure	131.50	312.75
Amount spent during the year on Capital Expenditure	-	-

**NOTE “49”: CODE ON SOCIAL SECURITY, 2020**

The Code on Social Security, 2020 (“the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on 13 November 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its standalone financial statements in the period in which the Code becomes effective and the related rules are published.

**NOTE “50”: ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013:**

Period	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net	Amount	As a % of consolidated net	Amount
<b>Holding Company</b>				
Manjushree Technopack Limited				
As at 31 March 2021	102%	56,292.61	111%	10,004.46
As at 31 March 2020	101%	45,882.46	104%	6,935.48
<b>Subsidiary</b>				
MTL New Initiatives Private Limited				
As at 31 March 2021	-2%	(1,240.08)	-11%	(955.16)
As at 31 March 2020	-1%	(284.92)	-4%	(285.93)

**NOTE “51”:**

The consolidated financial statements for the year ended 31 March 2021 were approved by the Board of Directors in their meeting held on 15 June 2021.

**for and on behalf of the Board**

**Sanjay Kapote**  
 Managing Director & CEO  
 DIN: 07529860  
 Place : Bengaluru  
 Date : 15 June 2021

**Ashok Sudan**  
 Chairman  
 DIN: 02374967  
 Place : Arizona, USA  
 Date : 15 June 2021

**Biren Shah**  
 Chief Financial Officer  
 Place : Bengaluru  
 Date : 15 June 2021

**Rasmi Ranjan Naik**  
 Company Secretary  
 Place : Bengaluru  
 Date : 15 June 2021

**NOTE NO. 1****NOTES AND OTHER EXPLANATORY INFORMATION FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****A. GROUP PROFILE AND BACKGROUND**

The consolidated financial statements comprise financial statements of Manjushree Technopack Limited (the Parent Company) and its subsidiary (collectively, Manjushree Group or the Group) for the year ended 31 March 2021. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 applicable in India. The Parent Company has invested in its wholly owned subsidiary, MTL New Initiatives Private Limited on 1 January 2020.

The Group is engaged in providing packaging solutions, manufacturing and selling PET, Plastic Preforms and Containers. These products are significantly sold in domestic markets and also exported. The Company has its production facilities spread across states of Karnataka, Himachal Pradesh, Uttarakhand, Haryana and Assam in India. The registered office of the Company is situated in Bengaluru, Karnataka. During the previous year, the Group acquired the business of National Plastics in Amritsar, Punjab, as a strategic buy out to extend their product range to dispenser pumps.

**B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The consolidated financial statements are prepared under historical cost convention on a going concern and accrual basis in accordance with the provisions of the Companies Act, 2013, and comply with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements. All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 as well as guidance note issued by the Institute of Chartered Accountants of India.

The consolidated financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i. Financial instruments;
- ii. Lease deposits;
- iii. Lease obligations and Right of Use assets;
- iv. Goodwill and Intangible assets acquired from National Plastics and Varahi;
- v. Deferred consideration payable to National Plastics and Varahi; and
- vi. ESOP liability.

The consolidated financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

**C. BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate the financial statements of the Company and an entity controlled by the Company (its subsidiary), as mentioned below, made up to 31 March each year.

Relationship	Name of Company	Country of incorporation	% of voting power held as at 31 March 2021	% of voting power held as at 31 March 2021
Subsidiary	MTL New Initiatives Private Limited	India	100.00%	100.00%

Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company. When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized

in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind ASs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 when applicable, or the cost of initial recognition of an investment in an associate or a joint venture.

#### **D. BUSINESS COMBINATION**

Business combinations Acquisitions of businesses are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are recognized in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 and Ind AS 19 respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess, after reassessment, is recognized in capital reserve through other comprehensive income or directly depending on whether there exists clear evidence of the underlying reason for classifying the business combination as a bargain purchase.

When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against Goodwill/capital reserve.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

#### **Goodwill**

Goodwill is initially recognized and measured as set out above. Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset

in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### **E. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience, various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

#### **F. SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **I) PROPERTY, PLANT AND EQUIPMENT (PPE)**

- a) Land, both freehold and leasehold is carried at historical cost.
- b) Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. 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.

Items such as stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Costs in nature of repairs and maintenance, other than those resulting in enduring benefit and increases the economic life of the asset, are recognized in the Statement of Profit and Loss.

- c) Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

##### **d) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

**II) INVESTMENT PROPERTIES**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided over its useful life using the straight line method, in a manner similar to PPE.

**III) CAPITAL WORK-IN-PROGRESS**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**IV) INTANGIBLE ASSETS**

Intangible assets except goodwill are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets developed or acquired with finite useful life are amortized on straight line basis. Goodwill is not amortized but tested for impairment on annual basis.

Intangible assets consist of Patents, Trademark, Brand and Customer Relationship Contracts which were acquired from Varahi and National Plastics.

**V) DEPRECIATION AND AMORTISATION**

Property, plant and equipment are depreciated over the useful life prescribed under Schedule II to the Companies Act, 2013 under straight line method on a proportionate basis depending upon the period of use. Those assets acquired/discarded during the year are depreciated on pro-rata basis. Depreciation is provided from the date of capitalization on a Straight Line Method (SLM) at the rate prescribed under Schedule II to the Companies Act, 2013 or the rates determined based on management's estimate of useful lives of assets based on technical evaluation of the useful lives of such assets which reflects the nature, size and operations of the Group.

Intangible assets (Patents, Trademark, Brand and Customer Relationship Contracts) are amortized over their estimated useful life i.e. five years.

Computer software is amortized as per straight line method prescribed under Schedule II to the Companies Act, 2013.

**VI) BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and also includes exchange differences to the extent it is regarded as an adjustment to it.

Borrowing costs pertaining to financial assets and liabilities classified under amortized costs are amortized over the tenure of the borrowings using effective interest rate method.

A qualifying asset is an asset that necessarily requires a substantial period of time (presently, management considers 12 months as the time period for such qualifying assets) to get ready for its intended use or sale.

**VII) VALUATION OF INVENTORIES**

a) Raw materials, semi-finished goods, finished goods, packing materials, stores, spares, components,

consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

- b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, first-in, first-out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts.
- c)
- d) Cost of finished goods and semi-finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, taxes and duties as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

#### **VIII) FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVE INSTRUMENTS**

##### **1) Foreign currency transactions**

Initial recognition - Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at the Balance Sheet date - Foreign currency monetary assets and liabilities are restated at the closing exchange rates. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

##### **2) Derivative instruments**

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognized in Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### **IX) REVENUE RECOGNITION**

- a) Revenue from the sale of goods is recognized on satisfaction of performance obligation upon transfer of control of promised goods to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. The Group recognises revenue at fair value of consideration received or receivable excluding duties and tax collected from customers.
- b) Dividend income is recognized when the right to receive is established.
- c) Interest income is accrued on a time proportionate basis.
- d) Income from sale of scrap is recognized upon dispatch.
- e) Revenue from job work is recognized on completion of service under the contract.
- f) Duty drawback and other export incentives are recognized on accrual basis on receiving the grant from Government.

g) Rental income is recognized based on contractual terms and conditions.

**X) FINANCIAL INSTRUMENTS**

**1) Financial assests**

**a) Initial recognition**

Financial assets are recognized when Manjushree becomes a party to the contractual provisions of the instruments. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through Profit or Loss. Financial assets carried at fair value through Profit or Loss are initially recognized at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

**b) Subsequent measurement**

Financial assets, other than equity instruments, are subsequently measured at amortized cost, fair value through Other Comprehensive Income (OCI) or fair value through Profit or Loss on the basis of:

- i) The Group's business model for managing the financial assets; and
- ii) The contractual cash flow characteristics of the financial asset.

**i) Measured at amortized cost**

A financial asset is measured at amortized cost, if it is held under "the hold to collect business model" i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

Amortized cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

The losses arising from impairment of these assets are recognized in the Statement of Profit and Loss.

On derecognition of these assets, gain or loss, if any, is recognized to Statement of Profit and Loss.

**ii) Measured at fair value through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at FVTOCI, if it is held under "the hold to collect and sell business model" i.e. held with an objective to collect contractual cash flows and selling such financial asset, and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

It is subsequently measured at fair value with fair value movements recognized in the OCI, except for interest income which recognized using EIR method.

The losses arising from impairment of these assets are recognized in the Statement of Profit and Loss.

On derecognition of these assets, cumulative gain or loss previously recognized in the OCI is reclassified from the equity to Statement of Profit and Loss.

**iii) Measured at fair value through profit or loss (FVTPL)**

Investment in financial asset other than equity instrument, not measured at either amortized cost or FVTOCI is measured at FVTPL. Such financial assets are measured at fair value and changes in fair value, including interest income and dividend income, if any, are recognized in the Statement of Profit and Loss.

**c) Impairment of financial assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

As per Ind AS 109, for financial assets other than trade receivables, Manjushree recognizes 12 months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses, if the credit risk on financial asset increases significantly since its initial recognition. Where loans or receivables have been written off, the Company continues to engage in recovery of the receivables due. Where recoveries are made, these are recognized in Statement of Profit and Loss.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

**d) De-recognition**

Manjushree derecognises a financial asset when the contractual right to the cash flows from the financial asset expires, or it transfers the contractual rights to receive the cash flows from the asset.

**2) Financial Liabilities**

**a) Initial Recognition and measurement**

Financial liabilities are recognized when Manjushree becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognized at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

Manjushree's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

**b) Subsequent measurement**

Financial liabilities measured at amortized cost are subsequently measured using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

**c) Loans & Borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using EIR method.

Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

**d) De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**e) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**XI) FAIR VALUE MEASUREMENT**

- a) The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. 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, assuming that market participants act in their economic best interest.
- b) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Manjushree uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
- c) Manjushree uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
  - Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
  - Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
  - Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.
- d) For assets and liabilities that are recognized in the financial statements on a recurring basis, Manjushree determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- e) For the purpose of fair value disclosures, Manjushree has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**XII) LEASE**

- a) Ind AS 116 on 'Leases', (notified by Ministry of Corporate Affairs (MCA) from reporting period 1 April 2019), introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases which is not a short-term lease, unless the underlying asset is low value in nature. As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.
- b) On transition, the Parent Company recognized a lease liability measured at the present value of the remaining lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the average of incremental borrowing rates. The Subsidiary Company since inception has adopted Ind AS 116 for all its leases.
- c) The right-of-use asset is recognized at an amount equal to lease liability w.e.f. 1 April 2019. It is depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset, whichever is less.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Parent Company has given some of its premises under operating lease. The lease agreements generally have an escalation clause and are structured to increase necessarily in line with expected general inflation and hence operating lease receipts are recognized as revenue in the Statement of Profit and Loss on actual basis over the lease term.

### **XIII) EMPLOYEE BENEFITS**

#### **a) Defined contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee provident fund scheme, etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Manjushree's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

#### **b) Defined benefit plans**

Manjushree also provides for retirement/post-retirement benefits in the form of gratuity and compensated absences to the employees.

For defined benefit plans, the amount recognized as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognized immediately in the Statement of Profit and Loss).

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The defined benefit plan surplus or deficit on the Balance Sheet comprises the total for each plan of the fair value of plan assets less the present value of the defined benefit liabilities. The classification of the Manjushree's net obligation into current and non-current is as per the actuarial valuation report.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### **c) Other employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the obligation as at the Balance Sheet date determined based on an actuarial valuation.

Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the related services.

### **XIV) TAXES ON INCOME**

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in Other Comprehensive Income.

- a) Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.
- b) Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognized based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences and used tax losses only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

- c) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

#### **XV) IMPAIRMENT OF ASSETS**

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

#### **XVI) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized if, as a result of a past event, Manjushree has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by Manjushree from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is neither recognized nor disclosed in the financial statements.

**XVII) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits held at call with banks and financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**XVIII) CASH FLOW STATEMENT**

As per Ind AS 107 Statement of Cash Flow is reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

**XIX) RESEARCH AND DEVELOPMENT EXPENSES**

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable and Manjushree has an intention and ability to complete and use or sell the product and the costs can be measured reliably. Such intangible assets are amortized over its useful life.

**XX) EARNING PER SHARE (EPS)**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**XXI) EXCEPTIONAL ITEMS**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**XXII) SHARE BASED PAYMENTS**

The company recognises compensation expense relating to share based payments in net profit using fair value in accordance with Ind AS 102. "Share based payment". The estimated fair value of awards is charged as expense on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance multiple awards with a corresponding increase to share outstanding account.

## AUDITED STATEMENT OF PROFIT &amp; LOSS ANALYSIS

ITEMS	(₹ in Lakhs)										
	31.03.21 (Ind As)	31.03.20 (Ind As)	31.03.19 (Ind As)	31.03.18 (Ind As)*	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12	
<b>INCOME</b>											
Gross Turnover	103379.37	108050.24	114890.22	92,437.11	74,694.58	64,403.60	62,075.87	52,454.27	43,701.98	36,078.36	
Less: Central Excise Duty	-	-	-	3,364.63	10,328.02	10,142.34	9,620.78	8,685.48	7,579.95	5,100.44	
<b>Net</b>	<b>103,379.37</b>	<b>108,050.24</b>	<b>114,890.22</b>	<b>89,072.48</b>	<b>64,366.56</b>	<b>54,261.26</b>	<b>52,455.09</b>	<b>43,768.79</b>	<b>36,122.03</b>	<b>30,977.92</b>	
Other Income	699.98	1686.91	548.65	179.03	353.31	576.73	351.03	655.14	284.11	171.74	
Increase / (Decrease) in Stocks	2361.42	2,959.36	(1,110.78)	1,252.22	3,245.17	(876.04)	(3,112.20)	5,952.38	1,220.40	(801.06)	
<b>Total</b>	<b>101,717.93</b>	<b>112,696.51</b>	<b>114,328.09</b>	<b>90,503.73</b>	<b>67,965.04</b>	<b>53,961.95</b>	<b>49,693.92</b>	<b>50,376.31</b>	<b>37,626.54</b>	<b>30,348.60</b>	
<b>EXPENDITURE</b>											
Raw Materials Consumed	52537.88	63923.57	67349.72	49,985.35	35,310.87	28,000.91	29,111.58	31,866.94	22,987.65	18,930.84	
Manufacturing Expenses	12423.26	13,003.08	12796.31	10,499.39	7,663.12	6,129.38	3,823.55	4,117.45	3,022.68	2,331.25	
Salary & Wages	9,270.33	7,823.93	6,751.50	5,826.87	3,888.01	2,699.53	3,188.56	2,590.01	1,721.05	1,401.40	
<b>Operating Cost</b>	<b>74,231.47</b>	<b>84,750.58</b>	<b>86,897.53</b>	<b>66,311.61</b>	<b>46,862.00</b>	<b>36,829.82</b>	<b>36,123.69</b>	<b>38,574.40</b>	<b>27,731.38</b>	<b>22,663.49</b>	
Administrative & Selling Expenses	6195.61	7478.08	5579.61	4,037.90	2,498.78	2,144.61	1,905.99	1,399.01	1,716.33	1,419.48	
Interest & Financial Charges	3997.92	4242.8	4124.59	4,200.44	2,679.62	1,508.59	1,994.49	2,167.45	1,204.09	1,102.36	
Depreciation & Write offs	7549.44	6463.61	10062.35	10,753.27	8,112.48	4,725.47	4,725.47	4,303.74	3,193.49	1,968.73	
<b>Total Cost</b>	<b>91,974.44</b>	<b>102,935.07</b>	<b>106,664.08</b>	<b>85,303.22</b>	<b>60,152.88</b>	<b>45,245.30</b>	<b>44,749.64</b>	<b>46,444.60</b>	<b>33,845.29</b>	<b>27,154.06</b>	
<b>NET PROFIT FOR THE YEAR</b>	<b>9,743.49</b>	<b>9,761.44</b>	<b>7,664.01</b>	<b>5,200.51</b>	<b>7,812.16</b>	<b>8,716.65</b>	<b>4,944.28</b>	<b>3,931.71</b>	<b>3,781.25</b>	<b>3,194.54</b>	
Exceptional Items	2396.3	0	58.43	-	-	-	(6.01)	(2.09)	-	(161.49)	
<b>PROFIT BEFORE TAXATION</b>	<b>12,139.79</b>	<b>9,761.44</b>	<b>7,605.58</b>	<b>5,200.51</b>	<b>7,812.16</b>	<b>8,716.65</b>	<b>4,938.26</b>	<b>3,929.62</b>	<b>3,781.25</b>	<b>3,033.05</b>	
Provision for Taxation	2056.56	1940.00	2872.07	2,350.30	2,101.82	2,844.45	1,982.97	1,314.35	877.96	731.35	
Deferred Tax Provision	78.77	885.93	(200.20)	(778.72)	(101.24)	98.47	(510.15)	(23.34)	488.92	251.23	
<b>NET PROFIT AFTER TAXATION</b>	<b>10,004.46</b>	<b>6,935.51</b>	<b>4,933.71</b>	<b>3,628.93</b>	<b>5,811.58</b>	<b>5,773.73</b>	<b>3,465.43</b>	<b>2,638.61</b>	<b>2,414.32</b>	<b>2,050.44</b>	
Less: Dividends & Tax thereon	-	-	1,175.95	-	-	326.11	161.52	160.61	157.45	157.46	
<b>Profits after Dividends</b>	<b>10,004.46</b>	<b>6,935.51</b>	<b>3,757.76</b>	<b>3,628.93</b>	<b>5,811.58</b>	<b>5,447.62</b>	<b>3,303.94</b>	<b>2,478.00</b>	<b>2,256.92</b>	<b>1,893.01</b>	
Surplus brought forward from PY	38,247.45	31,311.94	27,713.96	24,008.65	18,137.96	12,690.34	9,386.40	6,908.40	4,651.54	2,758.53	
Ind As adjustment in Opening Reserves as on 01.04.2016*	-	-	-	-	59.11	-	-	-	-	-	
Adjustment on restatement of PPE	-	-	-	76.38	-	-	-	-	-	-	
Transitional adjustment of IndAs 115	-	-	(159.78)	-	-	-	-	-	-	-	
Less: Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	
<b>NET SURPLUS CARRIED TO BS</b>	<b>48,251.91</b>	<b>38,247.45</b>	<b>31,311.94</b>	<b>27,713.96</b>	<b>24,008.65</b>	<b>18,137.96</b>	<b>12,690.34</b>	<b>9,386.40</b>	<b>6,908.46</b>	<b>4,651.54</b>	
PAT / Net Sales	0.10	0.06	0.04	0.04	0.09	0.11	0.07	0.06	0.07	0.07	
PBT / Net Sales	0.12	0.09	0.07	0.06	0.12	0.16	0.09	0.09	0.10	0.10	
PBDIT / Net Sales	0.23	0.19	0.19	0.23	0.29	0.28	0.22	0.24	0.23	0.20	
Earnings per share (F.V. Rs. 10)	73.85	51.19	36.42	27.14	42.94	42.62	25.58	19.48	17.82	15.14	
Cash Accruals	17,553.90	13,399.12	13,820.11	14,382.20	13,924.06	10,536.10	8,196.94	6,944.44	5,607.86	4,180.69	

**AUDITED BALANCE SHEET ANALYSIS**

ITEMS	(₹ in Lakhs)									
	31.03.21 (Ind As)	31.03.20 (Ind As)	31.03.19 (Ind As)	31.03.18 (Ind As)*	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
<b>SHAREHOLDERS' FUNDS</b>										
Share Capital	1,371.86	1,371.86	1,371.86	1,371.86	1,371.86	1,371.86	1,354.77	1,354.77	1,354.77	1,354.77
Reserves & Surplus	54920.75	44,510.58	35,347.23	31,672.89	28,043.96	22,173.27	16,742.74	13,438.80	10,960.78	8,703.91
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-
<b>Net Worth</b>	<b>56,292.61</b>	<b>45,882.44</b>	<b>36,719.09</b>	<b>33,044.75</b>	<b>29,415.82</b>	<b>23,545.13</b>	<b>18,097.51</b>	<b>14,793.57</b>	<b>12,315.55</b>	<b>10,058.68</b>
DEFERRED TAX PROVISION	766.95	688.18	(197.76)	2.44	781.16	882.40	783.94	1,294.08	1,317.42	828.51
<b>LOAN FUNDS</b>										
Term Loans	17820.66	15,682.11	15,555.91	21,867.25	22,460.26	11,168.26	8,579.64	10,211.61	9,994.51	4,766.85
Debt Component of CCD	1221.73	1,488.23	-	-	-	-	-	-	-	-
Unsecured / Buyers Credit	-	1,587.37	2,661.54	3,961.91	4,913.63	1,059.15	4,778.28	5,451.07	4,254.41	4,127.47
<b>Long Term Debt</b>	<b>19,042.39</b>	<b>18,757.71</b>	<b>18,217.45</b>	<b>25,829.16</b>	<b>27,373.89</b>	<b>12,227.41</b>	<b>13,357.92</b>	<b>15,662.68</b>	<b>14,248.92</b>	<b>8,894.32</b>
Cash Credit Limit	20657.3	25,010.72	21,173.97	13,174.36	15,290.12	6,177.87	6,540.36	11,749.90	8,132.51	4,192.30
<b>Overall Debt</b>	<b>39,699.69</b>	<b>43,768.43</b>	<b>39,391.42</b>	<b>39,003.52</b>	<b>42,664.01</b>	<b>18,405.28</b>	<b>19,898.28</b>	<b>27,412.58</b>	<b>22,381.43</b>	<b>13,086.62</b>
Lease Obligations	992.12	1,726.88	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>97,751.37</b>	<b>92,065.93</b>	<b>75,912.75</b>	<b>72,050.71</b>	<b>72,860.99</b>	<b>42,832.81</b>	<b>38,779.73</b>	<b>43,500.23</b>	<b>36,014.40</b>	<b>23,973.81</b>
<b>APPLICATION OF FUNDS</b>										
<b>FIXED ASSETS</b>										
Gross Block	118559.03	110,957.06	91,595.33	87,431.23	81,128.25	50,300.29	40,556.96	37,355.44	34,429.34	22,983.73
Less : Depreciation to date	62562.2	56,487.24	51,473.60	42,629.65	32,053.90	23,989.38	19,378.25	14,683.05	10,886.60	8,067.40
Capital Work-in-Progress	4154.32	4,830.53	3,325.22	1,597.84	1,579.87	268.96	2,136.66	1,423.49	531.03	435.85
<b>Net Block</b>	<b>60,151.15</b>	<b>59,300.35</b>	<b>43,446.95</b>	<b>46,399.42</b>	<b>50,654.22</b>	<b>26,579.87</b>	<b>23,315.37</b>	<b>24,095.88</b>	<b>24,073.77</b>	<b>15,352.18</b>
<b>INVESTMENT PROPERTIES</b>	<b>2,384.33</b>	<b>2,439.31</b>	<b>2,495.23</b>	-	-	-	-	-	-	-
<b>LONG TERM INVESTMENTS</b>	<b>247.41</b>	<b>1.00</b>	-	-	-	-	-	-	-	-
<b>RIGHT OF USE ASSETS</b>	<b>2,727.49</b>	<b>3,155.39</b>	-	-	-	-	-	-	-	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>										
Inventories	23931.57	22,831.30	21,316.33	18,475.36	14,179.52	8,426.62	8,653.19	10,987.09	4,862.51	3,441.77
Sundry Debtors	19538.56	18,720.95	24,082.58	20,443.23	17,171.21	10,365.68	8,692.66	7,886.48	6,556.01	4,575.68
Other Current Assets	16815.44	13,545.25	7,695.09	5,538.16	5,851.88	4,099.09	7,103.38	7,378.53	7,057.59	4,750.00
<b>Total</b>	<b>60,285.57</b>	<b>55,097.50</b>	<b>53,094.00</b>	<b>44,456.75</b>	<b>37,202.61</b>	<b>22,891.39</b>	<b>24,449.23</b>	<b>26,252.10</b>	<b>18,476.11</b>	<b>12,767.45</b>
Current Liabilities & Provisions	28044.58	27,927.62	23,123.43	18,805.46	14,995.84	6,638.45	8,984.87	6,847.75	6,535.48	4,145.82
<b>Net Current Assets</b>	<b>32,240.99</b>	<b>27,169.88</b>	<b>29,970.57</b>	<b>25,651.29</b>	<b>22,206.77</b>	<b>16,252.94</b>	<b>15,464.36</b>	<b>19,404.35</b>	<b>11,940.63</b>	<b>8,621.63</b>
<b>TOTAL</b>	<b>97,751.37</b>	<b>92,065.93</b>	<b>75,912.75</b>	<b>72,050.71</b>	<b>72,860.99</b>	<b>42,832.81</b>	<b>38,779.73</b>	<b>43,500.23</b>	<b>36,014.40</b>	<b>23,973.81</b>
Current Ratio	1.24	1.04	1.20	1.39	1.23	1.79	1.57	1.41	1.26	1.53
Long Term Debt / Net Worth	0.34	0.41	0.50	0.78	0.93	0.52	0.74	1.06	1.16	0.88
Overall Debt / Net Worth	1.20	1.56	1.70	1.75	1.96	1.06	1.60	2.32	2.35	1.71
Total Assets / Net Worth	2.14	2.49	2.63	2.75	2.99	2.10	2.64	3.40	3.45	2.80
Book Value Per Share (iv. Rs. 10)	415.51	338.67	271.04	243.91	217.13	173.79	133.58	109.20	90.91	74.25

## MANJUSHREE TECHNOPACK LIMITED

CIN: U67120KA1987PLC032636

Registered & Corporate Office: "MBH Tech Park", 2<sup>nd</sup> Floor, Survey No. 46(P) and 47 (P),

Begur Hobli, Electronic City Phase-II, Bangalore 560100, Karnataka

Telephone: 080-43436200

Email: info@manjushreeindia.com Web: www.manjushreeindia.com

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Members of Manjushree Technopack Limited will be held on **Monday, 27<sup>th</sup> day of September 2021 at 10.30 A.M.** through Video Conference (VC) or Other Audio Visual Means (OAVM) to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021, together with Independent Auditor's Report and the Board's Report including Secretarial Audit Report thereon.
2. To ratify the interim dividend declared by the Board of Directors.
3. To appoint Mr. Pankaj Patwari (DIN: 08206620), Director who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint Mr. Manu Anand (DIN: 00396716), Director who retires by rotation and, being eligible, seeks re-appointment.

#### SPECIAL BUSINESS:

##### 5. Ratification of Cost Auditor's Remuneration:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of Rs. 1,00,000/- (Rupees One Lakh only) to Messrs G S & Associates, Cost Accountants, # 207, Bindu Galaxy, No. 2,1st Main, Chord Road, Industrial Town, Rajajinagar, Bengaluru-560044 (Registration Number 00301) the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial year ending 31 March, 2022, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors  
For Manjushree Technopack Limited

Bangalore  
15-6-2021

**Rasmi Ranjan Naik**

Company Secretary

FCS: 7599

[Address: "MBH Tech Park", 2nd Floor,  
Survey No. 46(P) and 47 (P), Begur Hobli,  
Electronic City Phase-II, Bangalore 560100, Karnataka]

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013 FOR CONDUCT OF SPECIAL BUSINESS

### Item No. 5: Ratification of remuneration of Cost Auditor:

The Board, on the recommendation of the Audit Committee, has approved the appointment of Messrs G S & Associates, Cost Accountants, # 207, Bindu Galaxy, No. 2, 1st Main, Chord Road, Industrial Town, Rajajinagar, Bengaluru-560044 (Registration Number 00301) as Cost Auditor of the Company for the Financial Year ending on 31 March, 2022, to conduct audit of cost accounting records of the Company as may be required for Cost Audit under the Companies Act, 2013, and Rules made thereunder, at a remuneration of Rs. 1,00,000/- (Rupees One Lakh only), applicable taxes and out of pocket expenses, at actual. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Your Directors recommended the resolution for approval of the Members by way of an Ordinary Resolution.

By order of the Board of Directors  
For Manjushree Technopack Limited

Bangalore  
15-6-2021

**Rasmi Ranjan Naik**  
Company Secretary  
FCS: 7599

[Address: "MBH Tech Park", 2nd Floor,  
Survey No. 46(P) and 47 (P), Begur Hobli,  
Electronic City Phase-II, Bangalore 560100, Karnataka]

**NOTES:**

1. The Register of Members and Share Transfer books of the Company shall remain closed from **September 21, 2021 to September 27, 2021** (both days inclusive).
2. Members holding Shares in electronic form are requested to intimate any change in address to their respective Depository Participants and those holding Shares in physical form are to intimate the above said changes to INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED, 30, Ramana Residency, 4th Cross, Sampige Road Malleshwaram, Bangalore - 560 003 Tel: 080 23460815 / 818 Fax: 080-23460819, Email: irg@integratedindia.in.
3. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 8/2020, General Circular No. 17/2020 April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing / Other Audio Visual Means (OAVM) till December 31, 2021.. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members who have not registered their email address so far, are requested to register their email ID s for receiving all communications including Annual Report, Notices etc. from the Company electronically.
7. Annual Report for the Financial year 2020-21 along with Notice of the 34th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-Voting is being sent only through electronic mode to the Members whose email IDs are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at [www.manjushreeindia.com](http://www.manjushreeindia.com), website of the and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
8. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote by electronic means through e-voting platform provided by Microsoft Teams VC Facility. The detailed instructions for e-voting are annexed to this Notice.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

By order of the Board of Directors  
For Manjushree Technopack Limited

Bangalore  
15-6-2021

**Rasmi Ranjan Naik**  
Company Secretary  
FCS: 7599

[Address: "MBH Tech Park", 2nd Floor,  
Survey No. 46(P) and 47 (P), Begur Hobli,  
Electronic City Phase-II, Bangalore 560100, Karnataka]

## **ELECTRONIC VOTING (E-VOTING) AND E-VOTING DURING AGM**

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/EGM 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 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.manjushreeindia.in](http://www.manjushreeindia.in). 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. Members are requested to intimate to the Company their queries, if any, regarding the accounts / report at least ten days before the date of ensuing Annual General Meeting to enable the management to keep the information readily available at the meeting.
9. Members are requested to quote the folio number in correspondence with the Company. Members who are holding Equity Shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agents of the Company to enable the Company to consolidate their holdings in one folio.
10. All the requests for transfer of shares along with relevant Transfer Deeds and Share Certificates besides intimation

of any change in their address or non receipt of dividend etc., may be sent by the members either to the Company at its Registered Office or to the Registrar and Share Transfer Agents at the address given below:

**INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED**

30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road

Malleswaram, Bangalore - 560 003.

Tel: 080 23460815 / 818 Fax: 080-23460819

Email: [irg@integratedindia.in](mailto:irg@integratedindia.in)

11. The Company's existing Equity Shares are approved for dematerialization by NSDL and CDSL under ISIN: INE435H01015 and the members are requested to avail the DEMAT facility in respect of such shares through their respective DPs.
12. As per Section 124 of the Companies Act, 2013, the amount of Dividend remaining unpaid or unclaimed within 30 days from the date of declaration shall be transferred to 'unpaid dividend account' of the Company. Amount transferred to 'unpaid dividend account', which remains unpaid or unclaimed for a period of seven years from the date of transfer, is required to be transferred to the Investor Education and Protection Fund of the Central Government. Similarly, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund.
13. In view of the above, Members, wishing to claim dividends, which remain unclaimed for the financial years 2013-2014 onwards, are requested to write to the Company's Registrar and Transfer Agents, Integrated Registry Management Services Private Limited 30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore - 560 003, Tel: 080 23460815 / 818 Fax: 080-23460819 Email: [irg@integratedindia.in](mailto:irg@integratedindia.in). Please note that as per Section 125 of the Companies Act, 2013, no claim shall lie against the Company, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims by the Company. Further, shares on which the dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF Suspense Account in accordance with the Section 124 of the Act, and the applicable Rules. The shares transferred to the IEPF Suspense Account can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
14. The Equity Shares of the Company have been delisted from Stock Exchange.
15. In continuation of this Ministry's General Circular No. 20/2020 dated 5th 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 paragraph 3 and 4 of General Circular No. 20/2020 as per MCA Circular No. 02/2021 dated January 13, 2021

**THE INSTRUCTIONS FOR SHARE HOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on **September 24, 2021 at 9.00 a.m. and ends on September 26, 2021 till 5.00 p.m.** During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on cut-off date i.e. **September 20<sup>th</sup> 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders/ Members
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

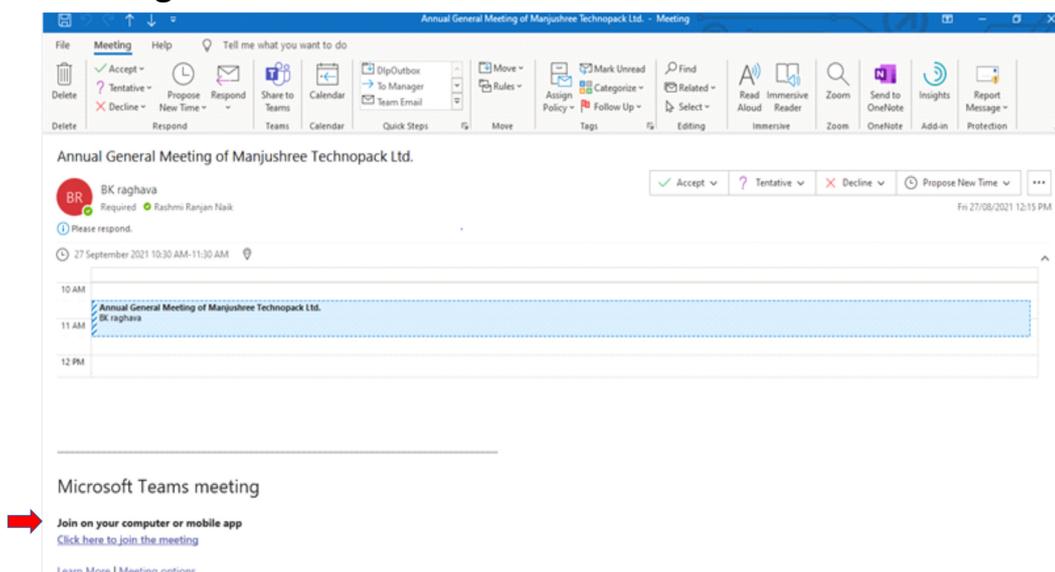
<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Manjushree Technopack Limited to vote
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

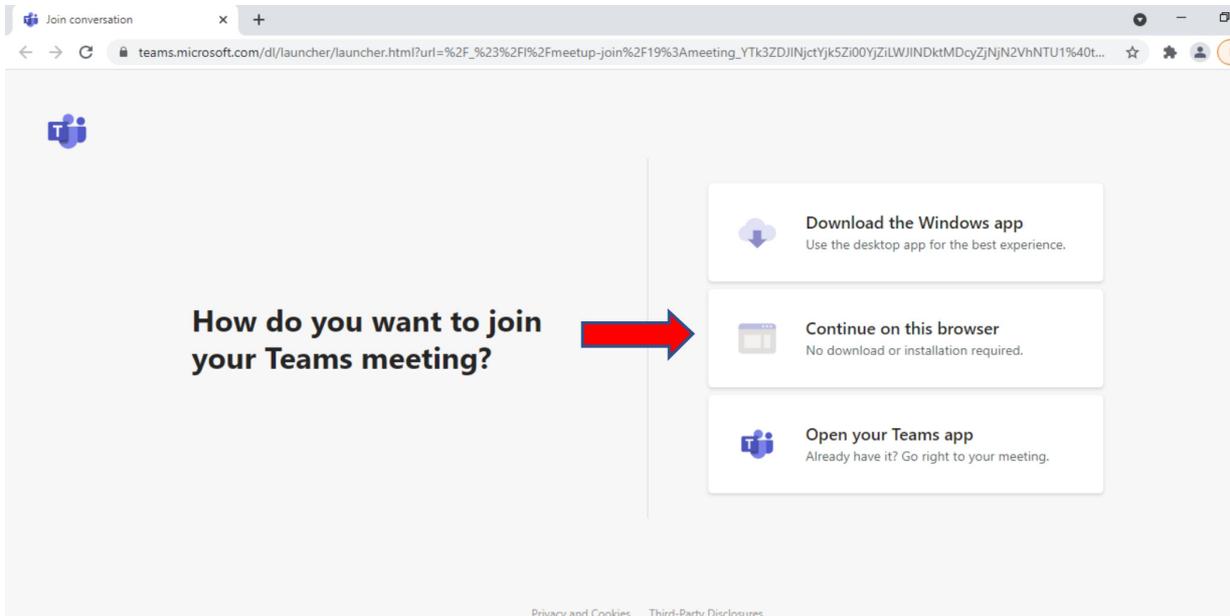
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Step by Step to Join Manjushree Technopack AGM

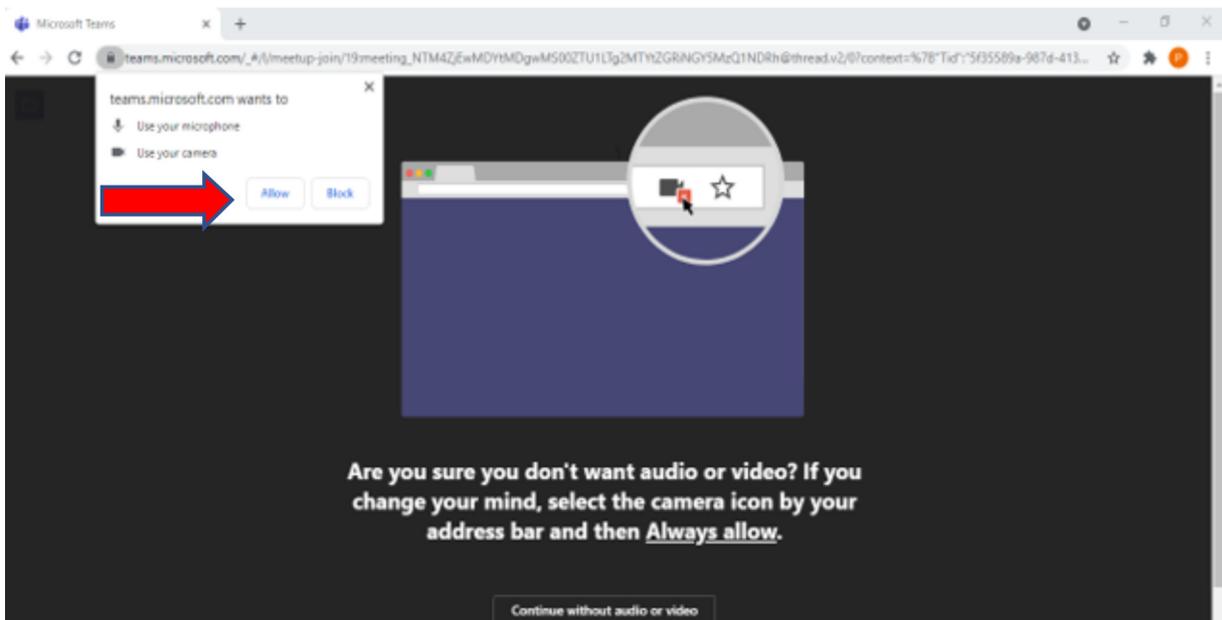
1 & 2 Join a Meeting from an Email or Calendar Invitation, select **click here to join the meeting**



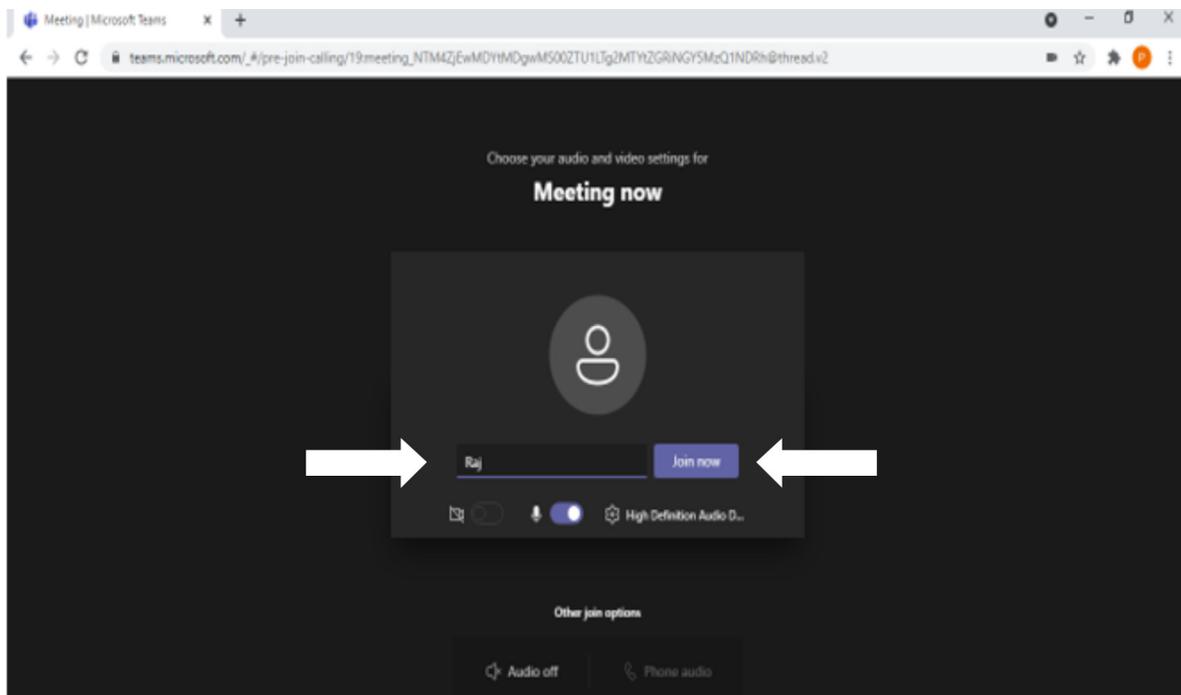
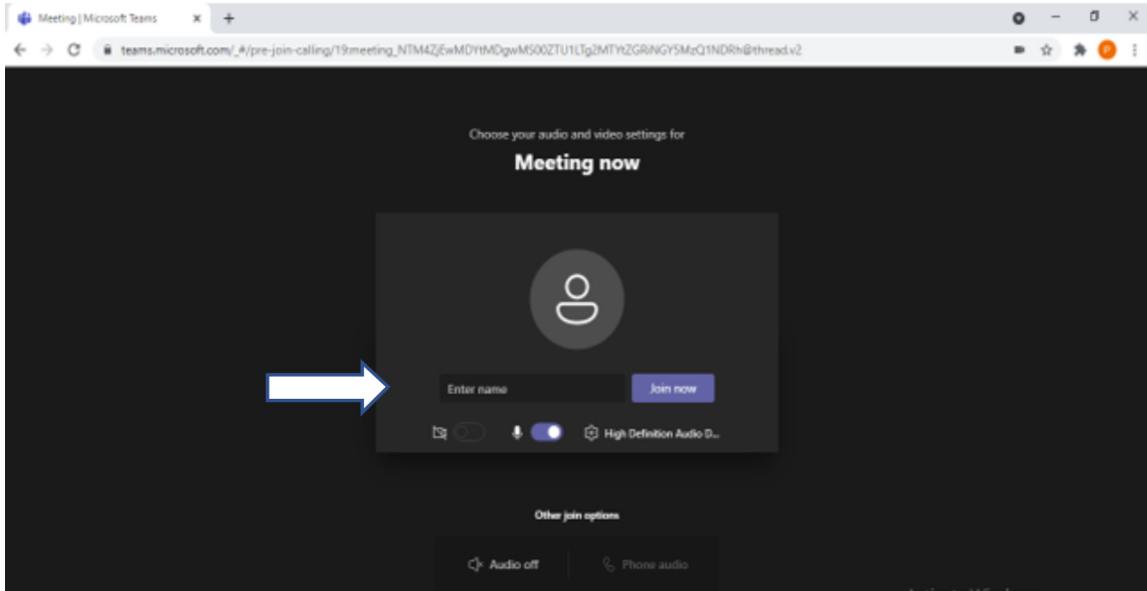
3. Click Continues on this browser



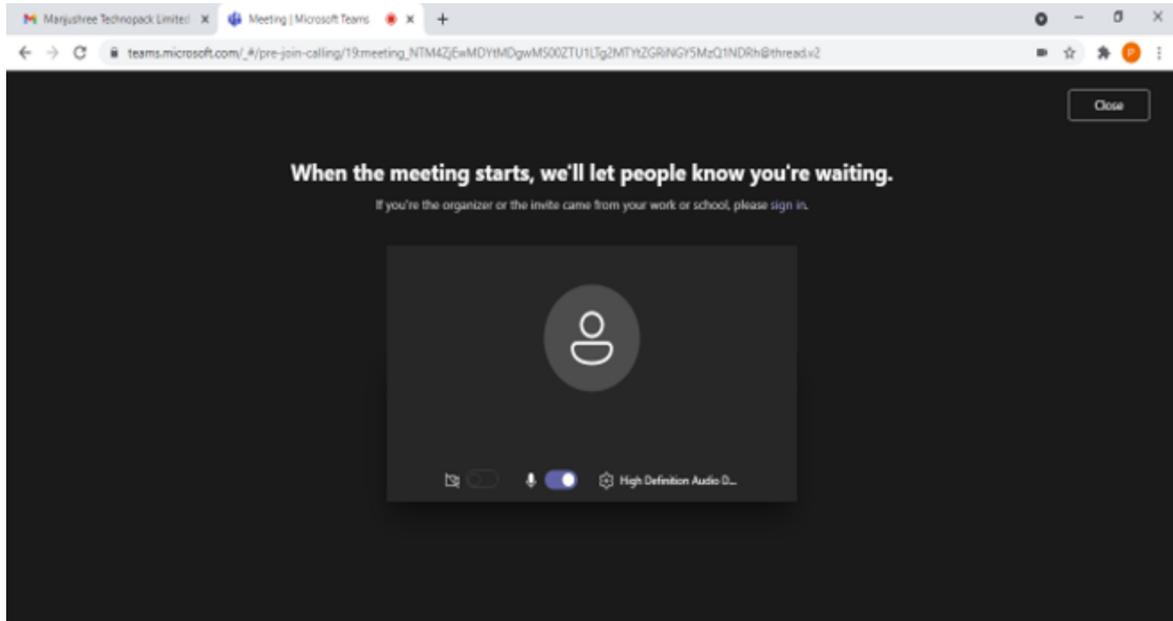
4. Click on **Allow** button to access **microphone and camera**



5. Type your name and click Join now



6. Wait for meeting starts



**GENERAL INSTRUCTIONS:**

- a) Mr. Vijayakrishna K T, Practising Company Secretary (Membership No. FCS 1788 & CP 980) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b) The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's Report will be communicated to CDSL and RTA and will also be displayed on the Company's website.
- c) The voting rights of Shareholders shall be in proportion to their Shares of the Paid up Equity Share Capital of the Company as on **September 20, 2021**.

By order of the Board of Directors  
For Manjushree Technopack Limited

Bangalore  
15-6-2021

**Rasmi Ranjan Naik**  
Company Secretary  
FCS: 7599

[Address: "MBH Tech Park", 2nd Floor,  
Survey No. 46(P) and 47 (P), Begur Hobli,  
Electronic City Phase-II, Bangalore 560100, Karnataka]

**MANJUSHREE TECHNOPACK LIMITED**

CIN: U67120KA1987PLC032636

Registered & Corporate Office: "MBH Tech Park", 2<sup>nd</sup> Floor, Survey No. 46(P) and 47 (P), Begur Hobli,  
Electronic City Phase-II, Bangalore 560100, Karnataka

Telephone: 080-43436200

Email: [info@manjushreeindia.com](mailto:info@manjushreeindia.com)

Web: [www.manjushreeindia.com](http://www.manjushreeindia.com)

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA") has, by its circular dated 21<sup>st</sup> April, 2011 announced a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies. In terms of the said circular, service of notice/documents by a Company to its Shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, Audited financial statements, Board's Report, Auditors' Report, Postal Ballots etc., henceforth to all its esteemed Shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail id, quoting your folio number/DPID/Client ID to our Registrar and Share Transfer Agent at the following address:

**Integrated Registry Management Services Private Limited**

**No. 30, Ramana Residency,**

4<sup>th</sup> Cross, Sampige Road,

Malleswaram, Bangalore – 560 003

Phone: 080-23460815-18, Fax: 080-23460819,

E-mail: [irg@integratedindia.in](mailto:irg@integratedindia.in)

We are sure you would appreciate this welcome initiative taken by the MCA to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you,

Yours faithfully,

**For Manjushree Technopack Limited**

**Rasmi Ranjan Naik**

Company Secretary

## Sustainability and Climate Change

The success of our business over the long term will depend on the social and environmental sustainability of our operations, the resilience of our supply chain and our ability to manage any potential climate change impacts. To address long-term sustainability challenges and understand potential impacts of climate change on our business, in both operational and financial terms, an exercise is in progress.

This exercise will inform the development of cross-functional action plans to help mitigate long-term risks and future-proof our business.

### Link to Strategy

Our commitment to being an industry leader in responsible, sustainable packaging is embedded in our products and strategic pillars. This underpins and supports our strategic focus to establish ourselves firmly in packaging and deliver sustainable, long-term value.

### Risk Tolerance

We have a zero tolerance for risk when protecting the human and environmental resources we depend on. However, given the long-term nature of some sustainability risks and the significant level of uncertainty associated with their occurrence and potential impact, we accept that some risks are inevitable.

### Action taken by Management

We are responsible for ethical trading, community investment and environmental sustainability matters and regularly reports on these topics to the Management Risk Committee and the Board.

- A new strategy was launched in June 2019, setting ambitious five-year goals: to drive positive change through all products, to achieve environmental excellence, to revalue waste, and to explore the opportunity of renewable energy by 2023.
- Our new strategy takes us beyond compliance to enhance employees wellbeing and ensure product safety.
- Our Energy & Water Reduction Program continues to drive resource efficiency in our direct and indirect operations, while our new strategy includes a commitment to switch to 30% renewable energy by 2023.

### Business Interruption

A major incident at one of the MTL's main locations, at its suppliers or affecting key products, which significantly interrupts the business. This could be caused by a wide range of events including natural catastrophe, fire, terrorism, or quality control failures.

### Link to Strategy

Our Product and Distribution strategies enable us to operate effectively and efficiently, delivering Operational Excellence through continuity of supply of compliant products and services of the highest quality to our customers. Ensuring our ability to continually operate key sites and factories to develop, manufacture, distribute and sell our products is a key strategic priority.

### Risk Tolerance

We have a low tolerance for risk in this area, particularly in respect of product safety and quality.

### Actions Taken by Management

We have policies and procedures designed to ensure the health and safety of our employees and products and to deal with major incidents, including business continuity and disaster recovery.

- MTL continues to evolve its supply chain organisational design to develop its manufacturing base, reducing dependence on key sites and vendors.

- MTL Incident Management Program is in place to ensure that incidents are reported, investigated and managed effectively. Across MTL our Incident Management Teams took part in training and incident Management exercise.
- Our product suppliers and vendors are subject to a quality control program which includes regular site inspections and independent product testing.
- Robust security arrangements are in place across our Plants to protect people and products in case of security incidents.
- Full business continuity plans are in place for our Operation Facilities and Offices. Business continuity plans have been established and tested.
- MTL's key IT systems are protected to prevent and minimize any potential interruption. This includes resilient design and the provision of disaster recovery services to continue operating within pre-agreed times in case of a major incident.
- Management regularly review and manage business continuity and disaster recovery risks recognising that these plans cannot always ensure the uninterrupted operation of the business, particularly in the short term.
- A comprehensive insurance program is in place to offset the financial consequences of insured events, including fire, flood, natural catastrophes, etc.

#### **Regulatory Risk & Environmental Standards**

MTL operations are subject to a broad spectrum of Central and regional laws and regulations in the various jurisdictions in which we operate. These include product safety, employee and customer health & safety, data, corporate governance, employment and tax. Changes to laws and regulations or a major compliance breach could have a material impact on the business.

#### **Link to Strategy**

Compliance with applicable laws and regulations and doing the right thing underlie all our strategic pillars.

#### **Risk Tolerance**

In complying with laws and regulations, including customer, employee safety and bribery and corruption, we have a zero tolerance for risk.

#### **Actions Taken by Management**

- We have an established framework of policies that aim to drive best practice across our direct and indirect operations, including Environmental, Health, Safety and Sustainability Policy.
- Policies are available at [www.manjushreeindia.com](http://www.manjushreeindia.com), are owned by senior leadership, issued to all stake holders and implementation monitored on a regular basis.
- We have established a Compliance Committee to oversee compliance with applicable legislation
- Our culture and policies encourage employees to speak up and report any issues without fear of retribution. A confidential employee helpline is in place in substantially all places where we have our operations and offices

#### **Environmental & Sustainability Initiatives**

We have continued our efforts to improve environment management, reduce energy and water consumption and increase the use of renewable energy in our direct and indirect operation. supply chain.

We work closely with our partners to improve Environment Management practices and support research into new technologies, while taking steps to minimize use of natural resources.

We have continued to evolve our Energy & Water Reduction program,

1. **Water Conservation:-** MTL has initiated Rain Water Harvesting projects at Baddi, Bidadi and Bommasandra Units, by which rainfall is gathered and used for recharge purposes. The process involves collection and storage of rainwater with help of artificially designed systems, that runs off natural or man-made catchment areas e.g. rooftop, or artificially repaired impervious/semi-pervious land surface. The collected rainwater from surfaces on which rain falls may filtered, and directly used for recharge purposes. With depleting groundwater levels and fluctuating climate conditions, this measure can go a long way to help mitigate the adverse effects rising water scarcity. Reserving rainwater can help recharge local aquifers, reduce urban flooding and most notably, ensure water availability in water-scarce zones. During the year 2020-21, Rain Water Harvesting Projects at Pantnagar, Guwahati, Silvassa and Amritsar unit are initiated, with potential of 60 Million of rain water diverting towards ground water recharge.

At Pantnagar, we have supported and maintained a Farm Pond which has capacity of collection of 50 Million Litres of rain water.

2. **Sewage Treatment Plant-** MTL has invested in treatment of Domestic Effluent Treatment Plant at Amritsar, Bidadi, Bommasandra, Guwahati and Pantnagar Unit and there by treating 60,000 liters of domestic effluent daily. Every year MTL is treating more than 21 Millionliters of domestic effluent and reused for gardening and toilet flushing.
3. **Energy:-**In the year 2019 MTL initiated Roof Top Solar Power Harnessing Project at our Bidadi Unit, which is fully active now. Our plants at Bangalore are powered by Solar Power by almost 50%. Our total requirement of Power requirement 6.5 Core units against supply of 3.40 Crore units through solar power. MTL has also initiated purchase of Solar power in agreement with Cleanmax.
4. **Waste Reduction: -** MTL has initiated reduction and recycling of Process waste by providing equipment for segregation and grinding.

**Post Consumed Plastic Waste Recovery Plant:-** As a part MTL Strategy towards Environment excellence and Swachh Bharat Mission, MTL has installed recycling plant of ~4500 T/Annum at Bidadi for treatment and recycling of Post Consumed Plastic Waste. Post Consumed Plastic Waste(HDPE, PP) collected by engaging NGO's, and Waste Management Companies, will be treated and recycled at our plant.