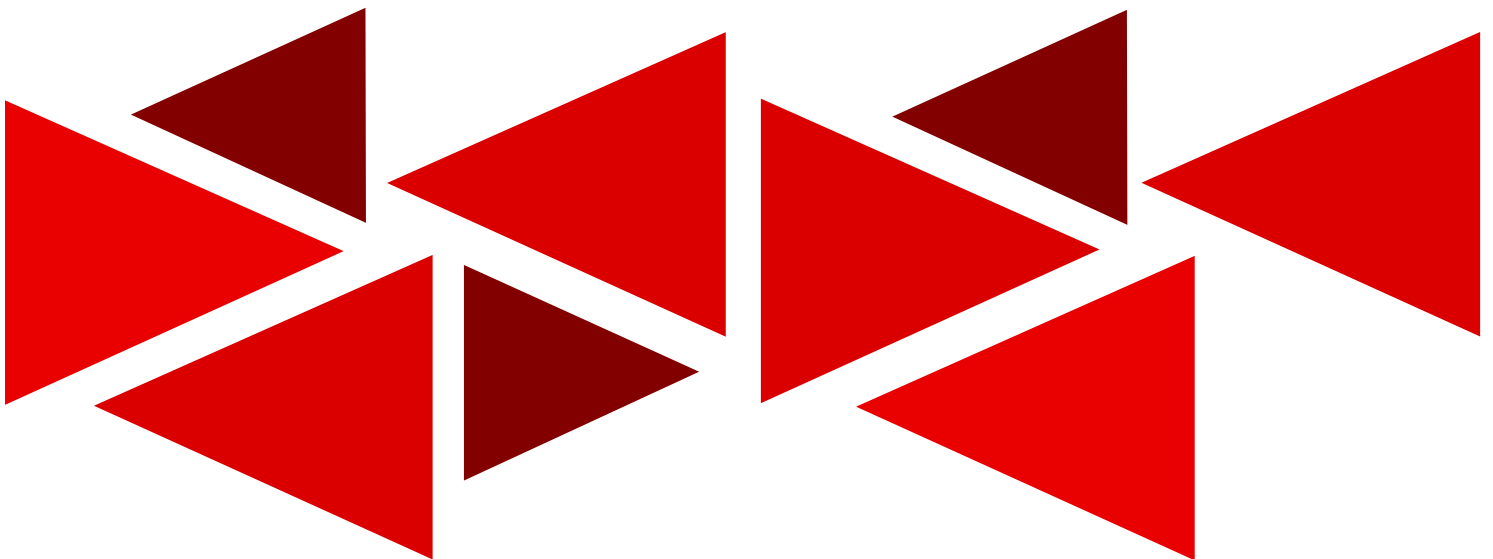


**CG-PPI ADHESIVE PRODUCTS LIMITED**



**ANNUAL REPORT  
2020 - 21**



**BOARD OF DIRECTORS**

Mr. Sagar Mohbe  
Mr. Ranjan Singh - w.e.f 07/01/2021  
Mr. Susheel Todi - w.e.f 14/07/2021  
Mr. Lloyd Pinto - upto 26/07/2021  
Dr. K. K. Nohria - upto 15/06/2020  
Mr. Ramesh Kumar - upto 20/11/2020  
Mr. Ravi Rajagopal - upto 08/10/2020  
Mr. Sudhir Mathur - upto 26/11/2020

**CHIEF EXECUTIVE OFFICER**

Mr. Sagar Mohbe

**REGISTERED OFFICE & WORKS**

215, GIDC Industrial Estate, Kundaim, Goa 403 115

**STATUTORY AUDITORS**

M/s. Sharp & Tannan, Chartered Accountants

**BANKERS**

Bank of Baroda  
HDFC Bank Ltd  
State Bank of India

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**CG-PPI ADHESIVE PRODUCTS LIMITED**  
**(CIN: U24295GA1988PLC000921)****Registered Office:**215, GIDC Industrial Estate, Kundaim, Goa - 403 115  
**Phone:** 0832-2395210, **Fax:** 0832-2395308, **Website:** [www.cgppi.com](http://www.cgppi.com)**NOTICE**

NOTICE is hereby given that the Thirty Third Annual General Meeting ('AGM') of the Members of **CG-PPI ADHESIVE PRODUCTS LIMITED (the 'Company')** will be held on **Friday, 24<sup>th</sup> September, 2021 at 11:00 a.m. (IST)** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility to transact the following businesses:

**ORDINARY BUSINESS:****Adoption of Financial Statements**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and Auditors thereon.

**Re-appointment of Director retiring by rotation**

2. To appoint Mr. Sagar Mohbe (DIN: 08688255), who retires by rotation as a Director and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****Appointment of Mr. Ranjan Singh (DIN:09021540) as a Director**

3. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provision of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (**'the Act'**) and the Rules made thereunder (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Ranjan Singh (DIN: 09021540) who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, with effect from 7<sup>th</sup> January, 2021 and who holds office up to the date of the 33<sup>rd</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature as Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**Appointment of Mr. Susheel Todi (DIN: 05342709) as a Director**

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provision of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (**'the Act'**) and the Rules made thereunder (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Susheel Todi (DIN: 05342709) who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, with effect from 14<sup>th</sup> July, 2021 and who holds office up to the date of the 33<sup>rd</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature as Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**By Order of the Board of Directors**Mumbai, 26<sup>th</sup> July, 2021**Sagar Mohbe**  
Director  
DIN: 08688255A  
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**NOTES:****(a) Convening of Annual General Meeting through Video Conferencing / Other Audio Visual Means facility:**

In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and the continuing restrictions on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020 and 13<sup>th</sup> January, 2021 respectively, issued by the Ministry of Corporate Affairs (hereinafter collectively referred as '**MCA Circulars**') and in compliance with the provisions of the Companies Act, 2013 ('**Act**'), the 33<sup>rd</sup> Annual General Meeting of the Company ('**AGM**' or '**Meeting**') is being conducted through Video Conferencing ('**VC**') / Other Audio Visual Means ('**OAVM**') facility, which does not require physical presence of members at a common venue. Hence, Members are requested to attend and participate at the ensuing AGM through VC / OAVM facility being provided by the Company through National Securities Depository Limited ('**NSDL**').

The deemed venue for the AGM shall be the Registered Office of the Company.

**(b) Quorum:**

The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the AGM. The Company may close the window for joining the VC/OAVM facility within 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors and Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**(c) Proxy (ies):**

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 facility, 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.

**(d) Explanatory Statement:**

An Explanatory Statement as per Section 102 of the Act in respect of the businesses under Item Nos. 3 and 4 of this Notice, proposed to be transacted at the Meeting and relevant information with respect to Directors seeking appointment at the Meeting under Item Nos. 3 and 4 of this Notice respectively, as required by the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('**SS-2**'), are annexed to this Notice.

**(e) Corporate Representations:**

Pursuant to the provisions of Section 113 of the Act, Body Corporate Members who intend their authorised representative(s) to attend the AGM are requested to send, to the Company, a certified copy of the Resolution of its Board of Directors or other governing body, authorizing such representative(s) along with the respective specimen signature(s) of those representative(s) authorised to attend the AGM through VC/OAVM facility and participate thereat and cast their votes through e-voting. The said resolution/authorization shall be sent to the Company by email through its registered email address at [admin@cgppli.com](mailto:admin@cgppli.com)

**(f) Queries:**

Members who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [admin@cgppi.com](mailto:admin@cgppi.com). Questions/queries received by the Company till Wednesday, 22<sup>nd</sup> September, 2021 shall only be considered and responded during the AGM.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email to [admin@cgppi.com](mailto:admin@cgppi.com) **any time before 05:00 p.m. (IST) on Tuesday, 21<sup>st</sup> September, 2021**, mentioning their name, demat account number/folio number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting. The Members may be allowed to pose questions during the course of the Meeting.

**(g) Dispatch of Notice and Annual Report through electronic means and Inspection of Documents:**

In terms of sections 101 and 136 of the Act, read with the rules made thereunder read with MCA Circulars, electronic copy of Annual Report and the Notice of the AGM of the Company are being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s) / Registrar & Share Transfer Agent ('RTA').

The Members may also note that the Notice of the AGM along with the e-voting instructions and the Annual Report will also be available on the Company's website [www.cgppi.com](http://www.cgppi.com) and also on the website of the NSDL for download. Members may note that relevant documents referred in the Notice and other documents as required under applicable laws shall be made available for inspection in accordance with applicable statutory requirement based on request received by the Company at [admin@cgppi.com](mailto:admin@cgppi.com).

For members who have not received the notice due to change/ non-registration of their e-mail address with the Company/ Depository Participants/RTA, they may request, for the Notice along with the e-voting instructions and Annual Report, by sending an email at [admin@cgppi.com](mailto:admin@cgppi.com). Post receipt of such request and verification of records of the member, the member would be provided soft copy of the Annual Report and Notice along with the e-voting instructions. It is clarified that for registration of email address, the members are however requested to follow due procedure for registering their email address with the Company/RTA in respect of physical holdings and with the Depository Participants in respect of electronic holdings. Those Members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants/ Company/ RTA to enable servicing of Notices/ Documents/ Annual Reports electronically to their email address.

The Members who have not received any communication regarding this AGM for any reason whatsoever, and are eligible for vote are also entitled to vote and may obtain the User ID and password or instructions for remote e-voting by contacting the Company's RTA at Tel No. 022-6671 2001 to 6671 2006 or e-mail at [cginvestors@datamaticsbpm.com](mailto:cginvestors@datamaticsbpm.com) or contact the Company at [admin@cgppi.com](mailto:admin@cgppi.com) or NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) between 09:00 a.m. IST to 05:00 p.m. IST on all working days, except Saturday and Sunday.

Any person becoming the Member of the Company after the dispatch of Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, 17<sup>th</sup> September, 2021 may obtain the User ID and password by referring to the e-voting instructions attached to this Notice and also available on the Company's website [www.cgppi.com](http://www.cgppi.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Alternatively, Members may send request by providing the email address, mobile number and self-attested PAN copy via email to [admin@cgppi.com](mailto:admin@cgppi.com) for obtaining the Notice and Annual Report of AGM.

**(h) Electronic voting :**

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ('Rules') and SS-2, the Company is providing remote e-voting facility to enable Members to cast their votes electronically on the matters included in this Notice. For this purpose, the Company has engaged the services of NSDL to provide e-voting facility to enable the Members to cast their votes electronically. The facility of casting votes by a Member using remote e-voting system as well as e-voting at the AGM will be provided by NSDL.

Members are requested to follow the procedure as stated in the instructions of this Notice for casting of votes electronically.

The Cut-Off date for determining the Members eligible to vote on resolutions proposed to be considered at the Meeting is **Friday, 17<sup>th</sup> September, 2021**. The remote e-voting period will commence on **Monday, 20<sup>th</sup> September, 2021 at 9:00 a.m. (IST) and end on Thursday, 23<sup>rd</sup> September, 2021 at 5:00 p.m. (IST)**. The remote e-voting will not be allowed beyond the aforesaid date and time. The remote e-voting module shall be disabled thereafter.

The Resolutions will be deemed to have been passed on the date of the Meeting, if approved by the requisite majority.

Only those Members whose names are appearing on the Register of Members / List of Beneficial Owners as on the Cut-Off date *i.e* **Friday, 17<sup>th</sup> September, 2021**, shall be entitled to cast their vote through remote e-voting or voting through VC/OAVM at the AGM, as the case may be. A person who is not a member on the cut-off date should treat this Notice for information purpose only.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. The Members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM through VC/OAVM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting through VC/OAVM at AGM will not be considered. Members must note that voting by show of hands will not be available at the Meeting in terms of the aforesaid provisions.

**(i) Voting Rights**

Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on the Cut-Off date i.e. Friday, 17<sup>th</sup> September, 2021.

**(j) Registrar & Share Transfer Agent & Investor Services Department:**

The Company's Registrar & Share Transfer Agent is Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited) ('DBSL'). In addition to the Registrar & Share Transfer Agent, the Company is happy to assist in case of any difficulties being experienced by the Members in their interaction with DBSL.

For any communication, the Members may send an e-mail to the Company at [admin@cgppi.com](mailto:admin@cgppi.com).

**(k) Unclaimed/Unpaid Dividends and Shares:**

In terms of the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time ('IEPF Rules'), the Company during the financial year 2020-21 has transferred, from time to time, the dividend(s) which have remained unclaimed/unpaid for a period of 7 (seven) years and the shares in respect of such dividend to the Investor Education and Protection Fund ('IEPF').

Further, in compliance with the IEPF Rules, the Company had communicated individually to all the concerned shareholders at their registered addresses, whose share(s) were liable to be transferred to

IEPF DEMAT Account for taking the appropriate action(s). Additionally Notices were also published in the newspapers in this regard.

Unpaid/unclaimed Dividend(s) pertaining to the financial years 2013-14 to 2018-19 which, if remain unclaimed/unpaid for a period of seven consecutive years, are due to be transferred to IEPF on the dates given as under:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2013 - 14	1 <sup>st</sup> August, 2014	30 <sup>th</sup> September, 2021
2014 - 15	6 <sup>th</sup> August, 2015	5 <sup>th</sup> September, 2022
2015 - 16	16 <sup>th</sup> March, 2016	15 <sup>th</sup> April, 2023
2015 - 16	12 <sup>th</sup> August, 2016	11 <sup>th</sup> September, 2023
2016 - 17	4 <sup>th</sup> August, 2017	3 <sup>rd</sup> September, 2024
2017 - 18	7 <sup>th</sup> September, 2018	6 <sup>th</sup> September, 2025
2018 - 19	16 <sup>th</sup> August, 2019	15 <sup>th</sup> September, 2026

(l) **Route Map:**

In view of the extraordinary circumstances due to COVID-19 pandemic prevailing in the country, the Company will hold the AGM through VC/OAVM, without the physical presence of the Members in terms of MCA Circulars. Hence, the route map is not annexed to this Notice.

(m) **Dematerialization of Shares:**

Attention is drawn to the Notification issued by Ministry of Corporate Affairs ('MCA') which has mandated that transfer of securities would be carried out only in dematerialized form.

Members are therefore requested to dematerialize their physical holdings. For any clarification, assistance or information relating to dematerialization of Company's shares, please contact the Company's RTA, DBSL at Tel No. 022-66712001 to 6671 2006 or e-mail at [cginvestors@datamaticsbpm.com](mailto:cginvestors@datamaticsbpm.com)

**By Order of the Board of Directors**

Mumbai, 26<sup>th</sup> July, 2021

**Sagar Mohbe**  
Director  
DIN: 08688255

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**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3**

Mr. Ranjan Singh (DIN: 09021540) was appointed as an Additional Director of the Company with effect from 7<sup>th</sup> January, 2021. Pursuant to Section 161 of the Act, Mr. Ranjan Singh holds office up to the date of this Annual General Meeting. A notice in terms of Section 160 of the Act has been received from a Member, signifying her intention to propose Mr. Ranjan Singh's candidature for the office of Director of the Company.

Mr. Ranjan Singh graduated in Electrical Engineering from S.G.S.I.T.S, DAVV, Indore and MBA from CRIM, Bhopal. He currently heads the Railway Business at CG Power and Industrial Solutions Limited ('Holding Company') comprising of Traction Machines and Systems, Rail Transportation Traction Electronics and Railway Signaling.

Mr. Ranjan Singh started his career in 1987 and has over 34 years of experience in Electrical Industry across various functions like Operations, Marketing, Business Development and Profit center head of diversified units and product lines like Railways, Large Rotating Machines and Drives and Automation with manufacturing locations in India and Europe.

The Board considers that Mr. Ranjan Singh's continued association would be of immense benefit to the Company. Other details in relation to appointment of Mr. Ranjan Singh as stipulated under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, are provided in the Annexure to this Explanatory Statement.

Mr. Ranjan Singh does not hold any shares in the Company and is not related to any Director of the Company.

Except Mr. Ranjan Singh, being an appointee, none of the other Directors or their relatives are in any way, financially or otherwise, concerned or interested in the said Ordinary Resolution set out at Item No. 3 of the accompanying Notice.

The Board of Directors recommends the Ordinary Resolution at Item No. 3 for approval of the Members.

**Item No. 4**

Mr. Susheel Todi (DIN: 05342709) was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> July, 2021. Pursuant to Section 161 of the Act, Mr. Susheel Todi holds office up to the date of this Annual General Meeting. A notice in terms of Section 160 of the Act has been received from a Member, signifying her intention to propose Mr. Susheel Todi's candidature for the office of Director of the Company.

Mr. Susheel Todi has nearly 20 years of experience in the corporate sector out of which he has 9 years of experience in Senior Management Positions as Chief Financial Officer, Financial Controller, and Head of Accounts and Taxation. He brings in a wide-range of expertise in the areas of finance, taxation, accounting, fund raising, mergers and acquisitions, audit, legal, and compliances. His last assignment was as Financial Controller of Kalpataru Power and Transmission Ltd, and he has spent over 15 years in CG Power and Industrial Solutions Limited ('Holding Company') in various leadership roles and is currently Chief Financial Officer. He played a major role in the acquisition of CG Power and Industrial Solutions Limited by Tube Investments of India Limited and held discussions with the various stakeholders. Mr. Susheel Todi is a Chartered Accountant from ICAI.

The Board considers that Mr. Susheel Todi's continued association would be of immense benefit to the Company. Other details in relation to appointment of Mr. Susheel Todi as stipulated under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, are provided in the Annexure to this Explanatory Statement.

Mr. Susheel Todi does not hold any shares in the Company and is not related to any Director of the Company.



Except Mr. Susheel Todi, being an appointee, none of the other Directors or their relatives are in any way, financially or otherwise, concerned or interested in the said Ordinary Resolution set out at Item No. 4 of the accompanying Notice.

The Board of Directors recommends the Ordinary Resolution at Item No. 4 for approval of the Members.

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**ANNEXURE TO ITEM NUMBER 2, 3 and 4 OF THE NOTICE CONVENING THE 33<sup>rd</sup> ANNUAL GENERAL MEETING OF THE COMPANY****Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting pursuant to Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India**

<b>Name of the Director</b>	Mr. Sagar Mohbe	Mr. Ranjan Singh	Mr. Susheel Todi
<b>DIN</b>	08688255	09021540	05342709
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of First Appointment on the Board of Directors</b>	5 <sup>th</sup> February, 2020	7 <sup>th</sup> January, 2021	14 <sup>th</sup> July, 2021
<b>Age</b>	57 years	55 years	43 years
<b>Qualifications</b>	Graduated in BE Electrical from University of Ravishankar, Raipur	Electrical Engineering from S.G.S.I.T.S, DAVV, Indore and MBA from CRIM, Bhopal.	Chartered Accountant from ICAI
<b>Expertise in Specific Functional Areas</b>	Experienced in Marketing for Traction Machines and System Division	Experience in Electrical Industry across various functions like Operations, Marketing, Business Development and Profit center head of diversified units and product lines like Railways, Large Rotating Machines and Drives and Automation with manufacturing locations in India and Europe.	Expertise in the areas of finance, taxation, accounting, fund raising, mergers and acquisitions, audit, legal and compliances.
<b>List of Directorships held in other Companies</b>	NIL	NIL	<ul style="list-style-type: none"> <li>• CG Power Equipments Limited</li> <li>• QEI, LLC</li> <li>• CG Power Americas LLC</li> <li>• CG Drives and Automation Sweden AB</li> </ul>
<b>Chairperson/Member in the Committees of the Boards of Indian Companies in which he is a director</b>	None	None	None
<b>Terms and Conditions of appointment/re-appointment</b>	Non Executive Director of the Company, liable to retire by rotation	Non Executive Director of the Company, liable to retire by rotation	Non Executive Director of the Company, liable to retire by rotation
<b>Number of shares held in the Company</b>	2* (Two) Equity Shares	NIL	NIL
<b>Last drawn remuneration</b>	NIL	NIL	NIL
<b>Number of Board Meetings attended during the year</b>	5	1	Not Applicable
<b>Relationship with other Director's/KMP's*</b>	Not related to any Director	Not related to any Director	Not related to any Director

\*Held on behalf of CG Power and Industrial Solutions Limited

**By Order of the Board of Directors****Mumbai, 26<sup>th</sup> July, 2021**

**Sagar Mohbe**  
Director  
DIN: 08688255

**E C I O N G M A**

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Monday, 20<sup>th</sup> September, 2021 at 9:00 a.m. (IST) and end on Thursday, 23<sup>rd</sup> September, 2021 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members whose names appear in the Register of Members / Beneficial Owners as on the record date (Cut-Off date) i.e. Friday, 17<sup>th</sup> September, 2021, may cast their votes electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off date, i.e. Friday, 17<sup>th</sup> September, 2021.

**How do I vote electronically using NSDL e-voting system?**


The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system****A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the '<b>Beneficial Owner</b>' icon under '<b>Login</b>' which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on '<b>Access to e-Voting</b>' under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select '<b>Register Online for IDeAS Portal</b>' or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App '<b>NSDL Speede</b>' facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

	
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web Browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using e-Voting system for the first time, you will need to retrieve the "initial password which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf. file. The password to open the pdf. file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf. filw contains your 'User ID' and your 'Initial Password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
  - a) Click on '**Forgot User Details/Password?**' (If you are holding shares in your demat) account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) '**Physical User Reset Password?**' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select 'EVEN' of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join General Meeting'.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company by e-mail to [admin@cgppi.com](mailto:admin@cgppi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. You can also update your mobile number and e-mail id in the user profile details which may be used for sending future communication(s).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cginvestors@datamaticsbpm.com](mailto:cginvestors@datamaticsbpm.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [admin@cgppi.com](mailto:admin@cgppi.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

Further members can also use the OTP based login for logging into the e-Voting system of National Securities Depository Limited ('NSDL').

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Facility of joining the AGM through VC/OAVM shall be open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first serve basis.
6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800 222 990
7. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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**DIRECTORS' REPORT**

Dear Members,

The Directors present Thirty Third report on the business and operations of the Company along with Annual Audited Financial Statements of CG-PPI Adhesive Products Limited (**'the Company'**) for the financial year ended 31<sup>st</sup> March, 2021.

1. **Financial Highlights**

Particulars	(In lakhs)	
	2020-21	2019-20
	₹	₹
Profit Before Depreciation, exceptional and extra ordinary items & Tax	139.13	(159.90)
Less: Depreciation, amortization and obsolescence	57.20	58.88
Profit before exceptional and extraordinary items and tax	81.93	(101.02)
<b>Profit before tax</b>	<b>81.93</b>	<b>(101.02)</b>
Less: Provision for tax	39.26	18.57
<b>Profit after tax</b>	<b>42.67</b>	<b>(82.45)</b>
Add/(Less): Other comprehensive income	(10.84)	(17.05)
Add: Balance brought forward from previous year	1,375.60	1,531.52
<b>Available Profit</b>	<b>1,407.43</b>	<b>1,432.02</b>
Less: Dividend (Including dividend distribution tax)	-	(56.42)
<b>Balance carried to Balance Sheet</b>	<b>1,407.43</b>	<b>1,375.60</b>

There was no change in the Share Capital of the Company during the year under review.

2. **Particulars of loans given, investments made, guarantees given or security provided by the Company**

The Company has not granted any loan or given guarantee or security or made any investments during the year under review.

3. **Public Deposits**

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 and no amount of principal or interest was outstanding as on the Balance Sheet date.

4. **Particulars of Contracts or Arrangements with related parties**

All the related party transactions entered into by the Company during the financial year under review were in the ordinary course of business, on an arm's length basis and non- material. Hence disclosure in Form AOC- 2 is not applicable to the Company.

**5. State of Company's Affairs**

The total revenue of the Company for the financial year under review amounted to ₹ 15.30 Crores (net of GST) as against ₹ 15.32 Crores (net of GST) for the previous financial year, registering a decrease of ₹ 0.02 Crore. The Profit was ₹ 0.82 Crore and the Profit after tax was ₹ 0.43 Crore for the financial year under review as against Loss of ₹ 1.01 Crores and ₹ 0.82 Crore, respectively, for the previous financial year.

There was no change in the nature of business of the Company during the year under review.

**6. Details of Subsidiaries and Associates**

The Company does not have any subsidiaries or associates.

**7. Amount to be carried to reserve**

In terms of section 123 of the Company Act, 2013, the Company does not propose to transfer any amount to General Reserves for the financial year ended 31<sup>st</sup> March 2021.

**8. Dividend**

The Board of Directors of your company, after considering the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

**9. Material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of the report.**

There were no material changes and commitments that affect the financial position of the Company, between the end of the financial year and the date of this Report.

**10. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

As required under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the particulars in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as **Annexure 1** to this Report.

**11. Details of Directors and Key Managerial Personnel appointed/resigned during the year**

During the year under review, Mr. K. K. Nohria, Mr. Ravi Rajagopal, Mr. Ramesh Kumar and Mr. Sudhir Mathur resigned as Director w.e.f. 15<sup>th</sup> June, 2020, 8<sup>th</sup> October, 2020, 20<sup>th</sup> November, 2020 and 26<sup>th</sup> November, 2020 respectively. The Board places on record their appreciation for the valuable contribution made by them during their tenure as Director of the Company.

Mr. Sagar Mohbe, Non-Executive Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Further, the Board of Director had appointed Mr. Ranjan Singh and Mr. Lloyd Pinto as an Additional Non-Executive Directors of the Company w.e.f. 7<sup>th</sup> January, 2021. Further, Mr. Susheel Todi was appointed as an Additional Non-Executive Director of the Company w.e.f. 14<sup>th</sup> July, 2021. They hold office till the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member proposing the candidature of Mr. Ranjan Singh and Mr. Susheel Todi for the office of the Director, liable to retire by rotation, accordingly your Directors recommend their appointment in the ensuing Annual General Meeting.

Mr. Lloyd Pinto, Additional Non-Executive Director of the Company has resigned as Director of the Company w.e.f. 26<sup>th</sup> July, 2021.

Attention of Members is invited to relevant disclosures made in the Notice of the ensuing Annual General Meeting and Explanatory Statement thereto with respect to their appointments.

Pursuant to Rule 8 in the Companies (Appointment and Remuneration) Rules, 2014 lays down that every listed Company and every other public company having a paid up capital of ₹ 10 Crore or more shall have whole-time Key Managerial Personnel. Thus, the Company is not required to appoint Key Managerial Personnel as per the requirements of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 12. Director Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sagar Mohbe, Director (DIN:08688255) of the Company, retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director liable to retire by rotation at the ensuing Annual General Meeting.

## 13. Number of Meetings of the Board of Directors

During the year under review five Board Meetings were held on 15<sup>th</sup> June, 2020, 3<sup>rd</sup> September, 2020, 26<sup>th</sup> October, 2020, 7<sup>th</sup> January, 2021 and 28<sup>th</sup> January, 2021. The details of the attendance of the Directors at Board Meetings are as under:

Name of the Director	No. of Meetings attended
Dr. K K Nohria*	1
Mr. Ravi Rajagopal**	2
Mr. Ramesh Kumar***	3
Mr. Sudhir Mathur****	2
Mr. Ranjan Singh <sup>#</sup>	1
Mr. Lloyd Pinto <sup>#</sup>	1
Mr. Sagar Mohbe	5

\* Resigned w.e.f 15<sup>th</sup> June, 2020

\*\* Resigned w.e.f 8<sup>th</sup> October, 2020

\*\*\* Resigned w.e.f 20<sup>th</sup> November, 2020

\*\*\*\* Resigned w.e.f 26<sup>th</sup> November, 2020

<sup>#</sup> Appointed w.e.f 7<sup>th</sup> January, 2021

## 14. Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

## 15. Directors Responsibility Statement

The Board of Directors of the Company confirms that:

- the Annual Accounts have been prepared in conformity with the applicable Accounting Standards alongwith proper explanations relating to material departures;
- the Accounting Policies selected and applied on a consistent basis and judgments and estimates

made are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2021 and of the profit of the Company for the financial year ended 31<sup>st</sup> March, 2021;

- c) proper and sufficient care has been taken to maintain adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

**16. Audit, Nomination and Remuneration and Corporate Social Responsibility Committee**

The Company is not required to constitute Audit Committee as well as Nomination and Remuneration Committee as prescribed under section 177 and 178 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014. Further, the Company is also not required to constitute a Corporate Social Responsibility Committee as prescribed under Section 135 of the Companies Act, 2013.

**17. Risk Management Policy**

The Company is a subsidiary of CG Power and Industrial Solutions Limited ('CG') and continues to abide by CG's Group Risk Management Policy which is applicable to all CG Group companies. Accordingly, the Board periodically reviews the risk assessment and minimization procedure in the areas of business.

**18. Auditors**

M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No.109982W) the Statutory Auditors of the Company, were appointed at the 29<sup>th</sup> Annual General Meeting of the Company for a term of five years.

The Auditors Report on the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2021 does not contain any qualifications, reservations, adverse remarks or disclaimers. Further there have been no instances of frauds reported by the Auditors during the year under review.

**19. Secretarial Audit**

The provisions of Section 204 of the Companies Act, 2013 regarding Secretarial Audit are not applicable to the Company.

**20. Corporate Social Responsibility**

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibilities are not applicable to the Company.

**21. Internal Financial Controls**

The Company has in place effective and efficient internal financial controls and these controls are operating effectively.

**22. Sexual Harassment Policy**

CG Power and Industrial Solutions Limited, the holding company has adopted a Sexual Harassment Policy and constituted an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 which is applicable to the Company. The Company's Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. All employees are covered under this policy. The Company is in compliance with Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year under review, no complaints of sexual harassment at workplace were received.

**23. Vigil Mechanism**

The Company has adopted a vigil mechanism viz. Whistle Blower Policy of CG, our Holding Company which extends to all its subsidiaries.

During the year under review, no material concerns or irregularities have been reported.

**24. Annual Return**

A copy of the Annual Return of the Company is placed on the website of the Company and the same is available on the following link [www.cgppi.com](http://www.cgppi.com)

**25. Acknowledgement**

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities and the various stakeholders for their continued co-operation and support to the Company.

**On behalf of the Board of Directors**

Mumbai, 26<sup>th</sup> July, 2021

**Sagar Mohbe**  
Director  
DIN: 08688255

**Ranjan Singh**  
Director  
DIN: 09021540

**ANNEXURE 1 TO THE DIRECTORS' REPORT****Particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**➤ **CONSERVATION OF ENERGY.****a. Steps taken for Energy conservation**

- Replacement of conventional lights with LED lights.
- Power factor consistently maintained at unit throughout the year

**b. Steps taken by the Company for utilizing alternate sources of energy**

- Use of Eco friendly bio fuel for thermic fluid heater.

**c. The capital investment on energy conservation equipment - NIL**➤ **TECHNOLOGY ABSORPTION****1. Efforts made toward technology absorption**

The Company is constantly focused on continuous improvement in existing products, developing new products as per customer requirement and adopting innovative methods to provide cost effective quality products.

Research and Development (R & D) efforts have enhanced the quality of existing products, new Tapes and Laminates and die cuts were developed; and increased clientele.

**2. Benefits derived as a result of the above R&D efforts.**

- Development of mica glass fabric tape CG4004 – for main wall Insulation for AC traction motors.

**3. Future plan of action**

We will be working in three dimensions:

- Safety.
- Efficiency improvement.
- New Machinery.

The above will create a further safer working environment with optimum production cost and serving the customer faster and thereby increasing the Market – Customer Share.

The Product Focus will be on Electric Motor & Railway Electric Insulations and that for customer on the related OEMs and Government Sectors.

We will focus on Product modification for new applications, Products approvals and Product Certifications.

**4. Expenditure on R&D**

- ₹8,52,291/- (absorbed in operational cost) which is 0.51 % of the gross sales.

**5. Imported Technology**

The Company has not imported any technology during the last five financial years and hence, disclosures as regards this item is not applicable

## ➤ FOREIGN EXCHANGE EARNINGS &amp; OUTGO

Total Foreign exchange earned and used:

I. Total foreign exchange earned	₹ 9,16,056/-
II. Total foreign exchange used	₹ 79,09,965/-

On behalf of the Board of Directors

Mumbai, 26<sup>th</sup> July, 2021Sagar Mohbe  
Director  
DIN: 08688255Ranjan Singh  
Director  
DIN: 09021540D  
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**INDEPENDENT AUDITOR'S REPORT  
To the Members of CG-PPI Adhesive Products Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **CG-PPI Adhesive Products Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss and the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**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 Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

**Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate



accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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 management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue

as a going concern; and

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the **Annexure 'A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 'B'**;
  - (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, the provisions of Section 197 of the Act as regards managerial remuneration are not applicable to the Company; and

- (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, 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 financial statements – (Refer Note 28 to the financial statements);
- (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

Edwin P Augustine  
Partner  
Membership No.043385  
UDIN: 21043385AAAADV5824

Mumbai, 14<sup>th</sup> May, 2021

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with the phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification, which were not material, have been properly dealt with in the book of account.
- (iii) According to the information and explanations given to us, the Company has not entered into any contracts or arrangements covered under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.
- (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 Act 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 deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, the Paragraph 3(iv) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records specified by the Central Government under Section 148(1) of the Act is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and as at 31st March, 2021 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount (Rs. lakhs)*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax, Interest and Penalty	0.15	2013-14	Income Tax Officer (TDS)
The Income Tax Act, 1961	Dividend Distribution tax	17.55	2017-18	National E-Assessment Centre
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, Interest and Penalty	40.65	2005-06 to 2012-13	Additional Commissioner of Commercial Tax, Panaji
		29.17	2014-15	Commissioner of Commercial Tax, Panaji
		8.68	2016-17	Commissioner of Commercial Tax, Panaji
		20.84	2015-16	Commissioner of Commercial Tax, Panaji

(\*net of pre-deposit paid in getting the stay / appeal admitted)

- (viii) According to the information and explanations given to us and records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has not issued debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans raised. Accordingly, the Paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- (xi) According to the information and explanations given to us, the provisions of Section 197 read with Schedule V to the Act as regards managerial remuneration are not applicable to the Company. Accordingly, the Paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the relevant details of such related party transactions have been disclosed in the financial statements, etc., as

required under the applicable Indian Accounting Standards.

- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

Edwin P Augustine  
Partner  
Membership No. 043385  
UDIN:21043385AAAADV5824

Mumbai, 14<sup>th</sup> May, 2021

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**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) of our report of even date)

**Report on the internal financial controls under Section 143 (3) (i) of the Companies Act, 2013 (the 'Act')**

We have audited the internal financial controls over financial reporting of **CG-PPI Adhesive Products Limited** (the 'Company'), as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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**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, (the 'Guidance Note') 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 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 Act.

**Auditor's responsibility**

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

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

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

**Meaning of internal financial controls over financial reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditure of the Company are being made only in accordance with authorization 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 to 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 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 31st 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 issued by the ICAI.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

Edwin P Augustine  
Partner  
Membership No. 043385  
UDIN:21043385AAAADV5824

Mumbai, 14<sup>th</sup> May, 2021

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BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
		₹	₹	₹	₹
<b>ASSETS</b>					
<b>(1) Non-current Assets:</b>					
(a) Property, plant and equipment	1		37,413,223		41,758,259
(b) Capital work-in-progress	1		-		948,040
(c) Other intangible assets	2		411,203		506,147
(d) Financial Assets					
(i) Investments			-		-
(ii) Loans	3	45,457,663		32,824	
			45,457,663		32,824
(e) Deferred tax assets (net)	15		1,586,260		2,750,674
(f) Other non-current assets	4		-		157,059
<b>(2) Current Assets:</b>					
(a) Inventories	5		17,393,982		27,508,550
(b) Financial Assets					
(i) Investments			-		-
(ii) Trade receivables	6	61,345,484		97,155,033	
(iii) Cash and cash equivalents	7	3,082,682		2,841,257	
(iv) Bank balances other than above	8	3,635,665		5,844,286	
(v) Loans	9	1,855,673		2,910,179	
			69,919,504		108,750,755
(c) Current tax assets (net)			-		421,010
(d) Other current assets	10		48,562,358		49,633,422
<b>Total Assets</b>			<b>220,744,193</b>		<b>232,466,740</b>
<b>EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
(a) Equity share capital	11	39,000,000		39,000,000	
(b) Other equity	12	140,743,066		137,559,785	
			179,743,066		176,559,785
<b>LIABILITIES</b>					
<b>(2) Non-current Liabilities:</b>					
(a) Financial Liabilities					
(i) Borrowings			-		-
(ii) Other financial liabilities	13	965,001		975,001	
			965,001		975,001
(b) Provisions	14		2,100,430		1,509,084
(c) Deferred tax liabilities (net)	15		-		-
<b>(3) Current Liabilities:</b>					
(a) Financial Liabilities					
(i) Borrowings	16	2,399,480		13,353,320	
(ii) Trade Payables					
Due to micro and small enterprises	17	1,952,329		3,839,449	
Due to creditors other than micro and small enterprises		15,082,844		17,283,849	
		17,035,173		21,123,298	
(iii) Other financial liabilities	18	7,228,116		6,136,091	
			26,662,769		40,612,709
(b) Other current liabilities	19		8,848,682		10,142,715
(c) Provisions	20		2,195,454		2,667,446
(d) Current tax liabilities (net)			228,791		-
<b>Total Equity and Liabilities</b>			<b>220,744,193</b>		<b>232,466,740</b>
<b>Contingent Liabilities and Commitments</b>	28				
<b>Significant Accounting Policies</b>	A				
<b>Other Notes</b>	1 to 41				

The accompanying notes form an integral part of financial statements

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm Registration No.: 109982W  
by the hand of

**Edwin P Augustine**  
Partner  
Membership No.: 043385  
Mumbai, 14<sup>th</sup> May 2021

**Sagar Mohbe**  
Director & CEO  
DIN: 08688255  
Mumbai, 14<sup>th</sup> May, 2021

**Lloyd Pinto**  
Director  
DIN: 09012100

**Ranjan Singh**  
Director  
DIN: 09021540

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Particulars	Note No.	2020-21		2019-20	
		₹	₹	₹	₹
(1) Revenue from operations	21	153,045,449		153,233,467	
(2) Other income	22	7,640,482		4,790,364	
(3) <b>Total Income</b>			<b>160,685,931</b>		<b>158,023,831</b>
(4) <b>Expenses:</b>					
Cost of materials consumed	23	63,550,341		88,930,399	
Purchases of stock-in-trade		14,307,458		-	
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	8,950,485		1,028,435	
Employee benefits expense	25	30,289,146		33,112,926	
Finance costs	26	358,382		636,099	
Depreciation and amortisation expense		5,720,689		5,887,632	
Other expenses	27	29,316,158		38,530,077	
<b>Total Expenses</b>			<b>152,492,659</b>		<b>168,125,568</b>
(5) <b>Profit / (loss) before tax</b>			<b>8,193,272</b>		<b>(10,101,737)</b>
(6) <b>Tax expense:</b>	15				
Current tax		2,397,000		-	
Taxation adjustments of earlier years		-		1,095,706	
Deferred tax charge / (credit)		1,529,096		(2,953,005)	
			<b>3,926,096</b>		<b>(1,857,299)</b>
(7) <b>Profit / (loss) for the year</b>			<b>4,267,176</b>		<b>(8,244,438)</b>
(8) <b>Other comprehensive income</b>					
A (i) Items that will not be reclassified to profit or loss		(1,448,577)		(2,279,194)	
Remeasurement of the defined benefit plan					
(ii) Income tax relating to items that will not be reclassified to profit or loss		364,682		573,628	
B (i) Items that will be reclassified to profit or loss		-		-	
(ii) Income tax relating to items that will be reclassified to profit or loss		-		-	
Other comprehensive income for the year			<b>(1,083,895)</b>		<b>(1,705,566)</b>
(9) <b>Total comprehensive income for the year</b>			<b>3,183,281</b>		<b>(9,950,004)</b>
(10) <b>Earnings per equity share</b>					
(i) Basic			<b>0.82</b>		<b>(2.55)</b>
(ii) Diluted			<b>0.82</b>		<b>(2.55)</b>
<b>Significant Accounting Policies</b>	A				
<b>Other Notes</b>	1 to 41				

The accompanying notes form an integral part of financial statements

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm Registration No.: 109982W  
by the hand of

**Edwin P Augustine**  
Partner  
Membership No.: 043385  
Mumbai, 14<sup>th</sup> May, 2021

**Sagar Mohbe**  
Director & CEO  
DIN: 08688255  
Mumbai, 14<sup>th</sup> May, 2021

**Lloyd Pinto**  
Director  
DIN: 09012100

**Ranjan Singh**  
Director  
DIN: 09021540

P R O F I T & L O S S A C C O U N T

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

## (A) EQUITY SHARE CAPITAL

For the year ended 31<sup>st</sup> March, 2021

Balance as at 1 <sup>st</sup> April, 2020	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2021
₹		₹
39,000,000	-	39,000,000

For the year ended 31<sup>st</sup> March, 2020

Balance as at 1 <sup>st</sup> April, 2019	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2020
₹		₹
39,000,000	-	39,000,000

## (B) OTHER EQUITY

For the year ended 31<sup>st</sup> March, 2021

Particulars	Balance as at 1 <sup>st</sup> April, 2020	Total Comprehensive Income for the year	Other comprehensive income	Dividends	Balance as at 31 <sup>st</sup> March, 2021
	₹	₹	₹	₹	₹
<b>Reserves</b>					
General reserve	25,660,460	-	-	-	25,660,460
Retained earnings	111,899,325	4,267,176	(1,083,895)		115,082,606
<b>Total reserves</b>	<b>137,559,785</b>	<b>4,267,176</b>	<b>(1,083,895)</b>		<b>140,743,066</b>

For the year ended 31<sup>st</sup> March, 2020

Particulars	Balance as at 1 <sup>st</sup> April, 2019	Total Comprehensive Income for the year	Other comprehensive income	Dividends	Balance as at 31 <sup>st</sup> March, 2020
	₹	₹	₹	₹	₹
<b>Reserves</b>					
General reserve	25,660,460	-	-	-	25,660,460
Retained earnings	127,491,317	(8,244,438)	(1,705,566)	(5,641,988)	111,899,325
<b>Total reserves</b>	<b>153,151,777</b>	<b>(8,244,438)</b>	<b>(1,705,566)</b>	<b>(5,641,988)</b>	<b>137,559,785</b>

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm Registration No.: 109982W  
by the hand of

**Edwin P Augustine**  
Partner  
Membership No.: 043385  
Mumbai, 14<sup>th</sup> May, 2021

**Sagar Mohbe**  
Director & CEO  
DIN: 08688255  
Mumbai, 14<sup>th</sup> May, 2021

**Lloyd Pinto**  
Director  
DIN: 09012100

**Ranjan Singh**  
Director  
DIN: 09021540

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Particulars	2020-21	2019-20
	₹	₹
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	8,193,272	(10,101,737)
Adjustments:		
Depreciation and amortization expense	5,720,689	5,887,632
Allowance for doubtful debts and advances	1,672,624	994,813
Bad debts written-off	1,928,461	-
Interest expense	358,382	636,099
Sundry credit balances written back	(545,258)	(158,288)
Provision for doubtful debts no longer required written back	(1,928,461)	-
Interest income	(1,093,569)	(624,067)
Income from investments (net)	(3,800,003)	(3,768,770)
Unrealised exchange (gain) / loss (net)	-	-
Provision for warranty made/(withdrawn)	(139,210)	(103,135)
(Profit) / loss on sale of property, plant and equipment (net)	-	(136,104)
<b>Operating cash flows before changes in assets and liabilities</b>	<b>10,366,927</b>	<b>(7,373,557)</b>
(Increase) / Decrease in inventories	10,114,568	4,062,429
Decrease/(increase) in trade and other receivables	36,327,572	(8,821,834)
Increase / (Decrease) in trade and other payables	(1,978,137)	(1,902,314)
Increase / (Decrease) in provisions	(1,190,013)	73,672
<b>Cash generated from operations</b>	<b>43,273,990</b>	<b>(6,588,047)</b>
Direct taxes paid (net of refund)	(1,747,199)	543,720
<b>Net cash outflows from operating activities (A)</b>	<b>51,893,718</b>	<b>(13,417,884)</b>
<b>Cash flows from investing activities</b>		
<b>Inflows from investing activities</b>		
Sale of property, plant and equipment		210,000
Inter-corporate deposits redeemed	377,984	1,412,746
Interest received	1,093,569	624,067
Income received from investments (net)	3,800,003	3,768,770
<b>Outflows from investing activities</b>		
Purchase of property, plant and equipment	(175,610)	(1,502,386)
Investments in fixed deposits (non current)	(45,436,019)	-
Inter-corporate deposits made	-	(47,500,000)
<b>Net cash outflows from investing activities (B)</b>	<b>(40,340,073)</b>	<b>(42,986,803)</b>
<b>Cash flows from financing activities</b>		
<b>Inflows from financing activities</b>		
<b>Outflows from financing activities</b>		
Dividend paid	-	(4,680,000)
Dividend distribution tax	-	(961,988)
Proceeds / (repayment) of current borrowings	(10,953,839)	13,353,320
Interest paid	(358,382)	(536,099)
<b>Net cash outflows from financing activities (C)</b>	<b>(11,312,221)</b>	<b>7,175,233</b>
<b>Net (decrease)/increase in cash and cash equivalents during the year</b>	<b>241,424</b>	<b>(49,229,454)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>2,841,257</b>	<b>52,070,711</b>
<b>Cash and cash equivalents at end of the year</b>	<b>3,082,682</b>	<b>2,841,257</b>

## Notes:

- The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows.
- Purchase of property, plant and equipment represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) capital work-in-progress for property, plant and equipment and (b) intangible assets.
- Cash and cash equivalents included in statement of cash flows comprise the following :

	2020-21	2019-20
a) Cash and cash equivalents disclosed under current assets [Note 7]	3,082,682	2,841,257
b) Other bank balances disclosed under current assets [Note 8]	3,635,665	5,844,286
c) Cash and cash equivalents disclosed under non-current assets [Note 3]	45,436,019	-
<b>Total cash and cash equivalents as per balance sheet</b>	<b>52,154,366</b>	<b>8,685,543</b>
Add: (i) Unrealised exchange (gain)/ loss on cash and cash equivalents [Note 7]	-	-
Less: (ii) Other Bank balances disclosed under current assets [Note 8]	3,635,665	5,844,286
Less: (iii) Cash and cash equivalents disclosed under non-current assets [Note 3]	45,436,019	-
<b>Total cash and cash equivalents as per statement of cash flows</b>	<b>3,082,682</b>	<b>2,841,257</b>

- Figures for the previous year have been regrouped wherever necessary

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm Registration No.: 109982W

by the hand of

**Edwin P Augustine**

Partner

Membership No.: 043385

Mumbai, 14<sup>th</sup> May, 2021**Sagar Mohbe**

Director &amp; CEO

DIN: 08688255

Mumbai, 14<sup>th</sup> May, 2021**Lloyd Pinto**

Director

DIN: 09012100

**Ranjan Singh**

Director

DIN: 09021540

**Notes to the financial statements 2020-21****A. Corporate Information and Significant Accounting Policies****1 Corporate Information**

CG-PPI Adhesive Products Limited (the '**Company**') is a public limited company incorporated and domiciled in India. The registered office is located at 215, GIDC Industrial Estate, Kundaim, Goa 403 115, India.

The Company manufactures and deals in speciality adhesive tapes and speciality adhesive labels.

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2021 were authorised in accordance with a resolution of the directors on 14<sup>th</sup> May, 2021.

**2 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013.

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest Rupee, except when otherwise indicated.

**3 Significant Accounting Policies****3.1 Property, plant and equipment:**

- a) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, net of trade discounts and rebates, directly attributable costs of bringing the asset to its working condition for its intended use and capitalised borrowing costs. When significant parts of the plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- b) Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.
- c) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and stated at cost, net of accumulated impairment loss, if any.
- d) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the statement of profit and loss when the asset is derecognised.
- e) Depreciation is provided on straight-line method over the useful lives of assets. Depreciation commences when an asset is ready for its intended use. The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, where the useful lives was determined by technical evaluation. Freehold land is not depreciated. Depreciation on additions to / deductions from assets is provided on pro-rata basis with reference to the month of addition / deletion.

The range of useful lives of the property, plant and equipment are as follows:

Plant and machinery - 5 to 20 years

Furniture and fittings - 3 to 12 years

Office equipments - 1 to 5 years

Buildings - 5 to 40 years

Vehicles - 3 to 10 years

- f) Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.
- g) In other cases, buildings constructed on leasehold land are amortised over the primary lease period of the land.
- h) The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.
- i) On transition to Ind AS, the Company has elected to continue with the carrying value as per the previous GAAP for Property, plant and equipment as its deemed cost.

### 3.2 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortisation expense on intangible assets with finite lives is recognized in statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### 3.3 Impairment of assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:-

- In case of an individual asset, at higher of the fair value less cost to sell and the value in use; and
- In the case of a cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income (the 'OCI'), if any. For such properties, the impairment is recognised in OCI upto the amount of any previous revaluation.

### 3.4 Research and development cost:

#### •Research Cost

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

#### •Development Cost

Development expenditure on new product is capitalised as intangible asset, if all of the following criteria can be demonstrated:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) The Company has intention to complete the development of intangible asset and use or sell it;
- (iii) The Company has ability to use or sell the intangible asset;
- (iv) The manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
- (v) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) The Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:-

Specialised software :Over a period of five to six years;

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the changes in useful life from indefinite to finite is made on a prospective basis.

### 3.5 Inventories:

Inventories are carried in the balance sheet as follows

Raw materials, packing materials, stores and consumables - At lower of cost, on weighted average basis and net realisable value.

Work-in-progress - At lower of cost of materials, plus appropriate production overheads and net realisable value.

Finished goods - At lower of cost of materials plus appropriate production overheads on such goods and net realisable value.

The cost of inventories comprises all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are written down if the finished products in which they will be used are expected to be sold at or above cost.

### 3.6 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### 3.7 Foreign currency transactions:

The Company's financial statements are presented in INR, which is also the parent company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation differences.

(i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the Statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively)

### 3.8 Revenue recognition

#### a) Revenue from goods and services

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services is recognised when services are rendered.

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered. Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items in a contract when they are highly probable to be provided. The variable consideration is estimated at contract inception updated thereafter at each reporting date or until crystallisation of the amount.

#### b) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recognised taking into account the amount outstanding and effective interest rate.



**3.9 Employee benefits**

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amounts of the benefits expected in exchange for the related services.

**a) Post Employment Benefits**

**Defined Contribution Plans:** Company's contribution paid/ payable to superannuation scheme, provident fund, employee pension scheme, employee state insurance scheme and labour welfare fund are defined contribution plans. The contribution is recognised in the statement of Profit and Loss during the period in which the employee renders the related service.

**b) Defined Benefit Plans:** The employee's gratuity fund and leave encashment are the defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the profit or loss. Past service cost is recognised in the statement of profit and loss in the period of plan amendment or when the Company recognised related re-structuring costs.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements;
- net interest expense or income.

**c) Gratuity:** The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The Company makes contributions to the Employees Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a defined benefit plan for qualifying employees. Remeasurements, comprising of actuarial gains and losses are recognised in full in other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.**d) Long-term employee benefits :** Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of profit and loss.

**e) Termination benefits:** Termination benefits are recognised as an expense in the period in which they are incurred.**3.10 Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (generally over twelve months) to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 3.11 Segment accounting:

#### Operating Segment

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker in the Company to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

- a) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- c) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- d) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- e) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

#### Inter-Segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis

### 3.12 Earnings per share

Basic earning per share is calculated by dividing net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statement by the Board of Directors.

### 3.13 Income Taxes

Income tax expense for the period comprises of current and deferred income tax. Income tax expense is recognised in the statement of profit and loss except when they are relating to items that are recognised in OCI or directly in equity, in which case, it is also recognised in relating to items recognised directly in OCI or equity respectively.

**Current tax**

Current tax comprises the expected income tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the Balance Sheet date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum alternate tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**3.14 Provisions, Contingent liabilities, Contingent assets and Commitments:**

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
  - i. the Company has a present obligation (legal or constructive) as a result of past event
  - ii. a probable outflow of resources is expected to settle the obligation
  - iii. the amount of obligation can be reliably estimated.
- b) Contingent liability is disclosed in the case of :
  - i. a present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
  - ii. a possible obligation, unless the probability of outflow of resources is remote.
- c) Contingent assets are neither recognized nor disclosed.
- d) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- e) Provisions for the expected cost of warranty obligations are recognised at the time of sale of relevant product or service, at the best estimate of the expenditure required to settle the Company's obligation.
- f) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

**3.15 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

Deferred tax assets liabilities are classified as non-current.

### **Operating cycle**

All 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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

### **3.16 Fair value measurement:**

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### **3.17 Financial instruments**

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

#### **i) Financial assets**

##### **a) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

b) **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit and loss under the fair value option

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit and loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

c) **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**(d) Impairment of financial assets**

The Company assesses impairment based on expected credit losses model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at FVTOCI;

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit losses is made for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with Ind AS 115.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12 month expected credit losses.

**ii) Financial liabilities**

**a) Initial recognition and measurement**

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, which are not at fair value through profit or loss, are deducted from the fair value on initial recognition.

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

**b) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c) **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 de-recognition 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.

iii) **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 currently 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.

**3.18 Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at that date of the financial statements. Actual results could differ from those estimates. Any revisions in the accounting estimates are recognized prospectively in the current and future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

**Useful lives of property, plant and equipment :** Management reviews useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors. This reassessment may result in change in depreciation expected in future period.

**Impairment of financial assets :** The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Income taxes :** Deferred tax assets for unused tax losses are recognised only when it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**Defined benefit obligation :** In accounting for post-retirement benefits, actuarial method uses several statistical and other factors to anticipate future events that are used to calculate defined benefit obligation. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

**3.19 Contingencies and events occurring after the balance sheet date**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised, The cases which have been determined as remote by the Company are not disclosed.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 1

## PROPERTY, PLANT AND EQUIPMENT

Particulars	Land- Leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
	₹	₹	₹	₹	₹	₹	₹
<b>Deemed cost:</b>							
<b>As at 01-04-2020</b>	222,914	19,227,077	26,749,086	4,519,177	1,370,384	3,345,870	55,434,508
Additions	-	-	1,108,918	15,960	-	103,249	1,228,127
Disposals	-	-	-	-	-	-	-
<b>As at 31-03-2021</b>	<b>222,914</b>	<b>19,227,077</b>	<b>27,858,004</b>	<b>4,535,137</b>	<b>1,370,384</b>	<b>3,449,119</b>	<b>56,662,635</b>
<b>Accumulated depreciation:</b>							
<b>As at 01-04-2020</b>	222,914	4,382,634	5,322,847	908,390	366,569	2,472,895	13,676,249
Depreciation charge for the year	-	986,738	3,363,036	450,691	177,258	595,440	5,573,163
Disposals	-	-	-	-	-	-	-
<b>As at 31-03-2021</b>	<b>222,914</b>	<b>5,369,372</b>	<b>8,685,883</b>	<b>1,359,081</b>	<b>543,827</b>	<b>3,068,335</b>	<b>19,249,412</b>
<b>Net book value</b>							
<b>At 31-03-2020</b>	-	14,844,443	21,426,239	3,610,787	1,003,815	872,975	41,758,259
<b>As at 31-03-2021</b>	-	<b>13,857,705</b>	<b>19,172,121</b>	<b>3,176,056</b>	<b>826,557</b>	<b>380,784</b>	<b>37,413,223</b>

(\*provided as security against borrowings as mortgage by deposit of title deeds in respect of Company's immovable properties, both present and future consisting of land, factory building structures, erections, godowns and furniture and fixtures.)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 2

## INTANGIBLE ASSETS

Particulars	Computer software	Technical know-how	Commercial rights	Research and development	Concession right	Total	Intangible assets under development	Total
	₹	₹	₹	₹	₹	₹	₹	₹
<b>Deemed Cost:</b>								
<b>As at 01-04-2020</b>								
Additions	780,806	-	-	-	-	780,806	-	780,806
Disposals	52,582	-	-	-	-	52,582	-	52,582
<b>As at 31-03-2021</b>	<b>833,388</b>	-	-	-	-	<b>833,388</b>	-	<b>833,388</b>
<b>Accumulated amortisation:</b>								
<b>As at 01-04-2020</b>								
Amortisation charge for the year	274,659	-	-	-	-	274,659	-	274,659
Disposals	147,526	-	-	-	-	147,526	-	147,526
<b>As at 31-03-2021</b>	<b>422,185</b>	-	-	-	-	<b>422,185</b>	-	<b>422,185</b>
<b>Net book value</b>								
<b>As at 31-03-2020</b>	506,147	-	-	-	-	506,147	-	506,147
<b>As at 31-03-2021</b>	<b>411,203</b>	-	-	-	-	<b>411,203</b>	-	<b>411,203</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 3	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
<b>NON-CURRENT FINANCIAL ASSETS</b>		
<b>Long-term loans and advances</b>		
Security deposits - unsecured, considered good	21,644	32,824
Bank deposits maturing after 12 months from reporting date	45,436,019	-
<b>Total</b>	<b>45,457,663</b>	<b>32,824</b>

Note 4	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
<b>OTHER NON-CURRENT ASSETS</b>		
Capital advances	-	157,059
	-	<b>157,059</b>

Note 5	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
<b>INVENTORIES</b>		
(At lower of cost and net relisable value) (Refer Note A 3.5)		
Raw materials	7,658,086	8,086,196
Raw materials - Goods in Transit	-	735,973
Work - in - progress	8,381,070	11,740,056
Finished goods - Manufacturing	1,088,398	6,946,325
Stock in trade	266,428	-
	<b>17,393,982</b>	<b>27,508,550</b>

(Note: Hypothecation of stocks and book debts for cash credit facility.)

Note 6	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
<b>CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>		
Trade receivables - at amortised cost		
Trade receivables - unsecured, considered good	61,337,002	97,146,551
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	5,317,320	5,573,153
	66,654,322	102,719,704
Less: Allowance for doubtful debts	(5,317,320)	(5,573,153)
	<b>61,337,002</b>	<b>97,146,551</b>
<b>Other receivables - at amortised cost</b>		
Other financial receivables	8,482	8,482
	<b>61,345,484</b>	<b>97,155,033</b>

Note 7	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
<b>CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>		
<b>Balances with Banks in :</b>		
- Current accounts	601,165	2,841,257
- Deposit accounts	2,481,517	-
<b>Cash on hand</b>	-	-
	<b>3,082,682</b>	<b>2,841,257</b>

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 8	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES</b>	₹	₹
Bank deposits with maturity more than 3 months but less than 12 months	-	2,373,430
Earmarked balances with banks:		
Unpaid dividends	113,568	132,168
Margin money deposits	3,512,097	3,328,688
Postal bank deposit account* (*pledged with sales tax authorities)	10,000	10,000
	<b>3,635,665</b>	<b>5,844,286</b>
<b>Note 9</b>	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>
<b>CURRENT FINANCIAL ASSETS - LOANS AND ADVANCES</b>	₹	₹
Unsecured, considered good, unless otherwise stated		
<b>Financial assets, at amortised cost</b>		
<b>(a) Loans and advances to related parties (giving details thereof) ;</b>	-	-
<b>(b) Advances recoverable in cash or in kind or for value to be received</b>		
Loans receivables-secured	190,938	212,447
	190,938	212,447
<b>(c) Security deposits:</b>		
Considered good	1,664,735	2,697,732
Considered doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
	1,664,735	2,697,732
	<b>1,855,673</b>	<b>2,910,179</b>
<b>Note 10</b>	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>
<b>OTHER CURRENT ASSETS</b>	₹	₹
<b>Advances recoverable in cash or in kind or for value to be received</b>		
Advance to suppliers	440,771	713,938
Receivable from Government Authorities	1,350,021	1,258,616
Receivable from related parties	45,709,270	46,087,254
Prepaid expense	884,361	791,024
Other statutory receivable	177,935	782,590
	<b>48,562,358</b>	<b>49,633,422</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 11		As at 31st March, 2021	As at 31st March, 2020
EQUITY SHARE CAPITAL		₹	₹
(a)	<b>Authorised:</b> 4,000,000 Equity Shares of ₹ 10 each (previous year 4,000,000 Equity Shares of ₹ 10 each)	40,000,000	40,000,000
(b)	<b>Issued, Subscribed and fully paid-up</b> 3,900,000 Equity Shares of ₹ 10 each (previous year 3,900,000 Equity Shares of ₹ 10 each)	39,000,000	39,000,000
		<b>39,000,000</b>	<b>39,000,000</b>

(c) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year				
Particulars	Issued		Subscribed and Paid Up	
	No. of Shares	₹	No. of Shares	₹
At 1 <sup>st</sup> April, 2020	3,900,000	39,000,000	3,900,000	39,000,000
Add: Shares issued during the year	-	-	-	-
At 31 <sup>st</sup> March, 2021	3,900,000	39,000,000	3,900,000	39,000,000

(d) Rights, preferences and restrictions attached to equity shares
The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of 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 in proportion to their shareholding.

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.				
Name of shareholder	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	% of aggregate shares held	No of shares as at 31.03.2021	% of aggregate shares held	No of shares as at 31.03.2020
CG Power and Industrial Solutions Limited	81.42%	3,175,520	81.42%	3,175,520
Killone AG	10.26%	400,000	10.26%	400,000
<b>Total</b>	<b>91.68%</b>	<b>3,575,520</b>	<b>91.68%</b>	<b>3,575,520</b>

(f)	There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment including the terms and amounts.
(g)	There are no shares issued pursuant to contract without payment being received in cash in the immediately preceding five years ended 31 <sup>st</sup> March 2021.
(h)	There are no shares allotted as fully paid up by way of bonus shares in the immediately preceding five years ended 31 <sup>st</sup> March 2021.
(i)	There are no share bought back in the immediately preceding five years ended 31 <sup>st</sup> March, 2021.
(j)	There are no calls unpaid on shares.
(k)	There are no forfeited shares.
(l)	The Board of Directors has recommended a dividend of ₹ Nil (Previous year ₹ Nil) per fully paid up equity share of ₹ 10 each, aggregating to ₹ Nil (Previous year ₹ Nil), including dividend distribution tax.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

## Note 12

## OTHER EQUITY

As at 31<sup>st</sup> March, 2021

Particulars	Balance as at 31 <sup>st</sup> March, 2021	Balance as at 1 <sup>st</sup> April, 2020
	₹	₹
<b>Reserves</b>		
General reserve	25,660,460	25,660,460
Retained earnings	115,082,606	111,899,325
<b>Total reserves</b>	<b>140,743,066</b>	<b>137,559,785</b>

For the year ended 31<sup>st</sup> March, 2020

Particulars	Balance as at 31 <sup>st</sup> March, 2020	Balance as at 1 <sup>st</sup> April, 2019
	₹	₹
<b>Reserves</b>		
General reserve	25,660,460	25,660,460
Retained earnings	111,899,325	127,491,317
<b>Total reserves</b>	<b>137,559,785</b>	<b>153,151,777</b>

## Nature and purpose of reserves

a) **General reserve**

The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profit were required to be transferred to General reserve before declaring dividends. As per the Companies Act, 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

b) **Retain earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 13	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
OTHER NON-CURRENT FINANCIAL LIABILITIES	₹	₹
Deposits	965,001	975,001
	<b>965,001</b>	<b>975,001</b>

Note 14	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
LONG TERM PROVISIONS	₹	₹
Provision for leave encashment	2,100,430	1,509,084
	<b>2,100,430</b>	<b>1,509,084</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

## Note 15

## DEFERRED TAX ASSETS (NET)

## A Income tax related to items charged or credited directly to profit or loss during the year:

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
	₹	₹
Current income tax	2,397,000	-
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	1,095,706
Deferred tax expense / (benefit)	1,529,096	(2,953,005)
Relating to origination and reversal of temporary differences	-	-
Relating to changes in tax rates or the imposition of new taxes	-	-
Relating to write-down, or reversal of a previous write-down, of a deferred tax asset	-	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3,926,096</b>	<b>(1,857,299)</b>

## B Income Tax expense

Reconciliation	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
	₹	₹
Profit / (loss) before tax	8,193,272	(10,101,737)
(a) <b>Accounting Profit / (loss) before income tax</b>	<b>8,193,272</b>	<b>(10,101,737)</b>
(b) Applicable tax rate (refer note 39)	25.17%	25.17%
(c) <b>Tax on Accounting profit '(c)=(a)*(b)</b>	<b>2,062,083</b>	<b>(2,542,406)</b>
Expenses allowable for tax purposes when paid / on payment of TDS	348,310	139,988
Other items giving rise to temporary differences	846,680	(825,704)
Expenses not deductible for tax purpose	304,611	55,708
Accelerated depreciation for tax purposes	(270)	(354,219)
Taxation adjustments of earlier years	-	1,095,706
Tax impact on other comprehensive Income	364,682	573,628
Tax effects on other items	-	-
<b>Income tax expense charged to the statement of profit and loss</b>	<b>3,926,096</b>	<b>(1,857,299)</b>

## C Deferred tax relates to the following

Particulars	Balance sheet		Statement of profit or loss	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
	₹	₹	₹	₹
Expenses allowable for tax purposes when paid / on payment of TDS	2,668,107	2,355,816	(676,973)	(1,534,909)
Unused tax losses / depreciation	-	-	-	-
Other items giving rise to temporary differences	1,428,775	3,292,830	1,864,055	(1,915,463)
Accelerated depreciation for tax purposes	(2,510,622)	(2,897,972)	(387,350)	(649,889)
Gain on actuarial assumption	-	-	364,682	573,628
<b>Deferred tax asset / (liability)</b>	<b>1,586,260</b>	<b>2,750,674</b>	<b>1,164,414</b>	<b>(3,526,633)</b>

(Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

## Note 15 (contd.)

## D Reconciliation of deferred tax asset/(liabilities) net

Reconciliation of deferred tax asset/(liabilities) net	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
Opening balance as of 1 <sup>st</sup> April	2,750,674	(775,959)
Tax income/(expense) during the year recognised in profit or loss	(1,529,096)	2,953,005
Tax income/(expense) during the year recognised in other comprehensive income	364,682	573,628
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>1,586,260</b>	<b>2,750,674</b>

## E Analysis of deferred tax balances

The analysis of deferred tax assets and deferred tax liabilities is as follows:	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
<b>Deferred tax assets:</b>	-	-
– Deferred tax assets to be recovered after more than 12 months	3,892,347	3,158,779
– Deferred tax asset to be recovered within 12 months	204,535	2,489,867
<b>Deferred tax liabilities:</b>	-	-
– Deferred tax liability to be recovered after more than 12 months	(2,510,622)	(2,897,972)
– Deferred tax liability to be recovered within 12 months	-	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>1,586,260</b>	<b>2,750,674</b>

Note 16	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>CURRENT - FINANCIAL LIABILITIES - BORROWINGS</b>	₹	₹
<b>Secured</b>		
From Bank:		
Working capital demand loan from bank	2,399,480	13,353,320
	<b>2,399,480</b>	<b>13,353,320</b>

Note: (Secured by hypothecation of stocks and book debts and is further secured by mortgage by deposit of title deeds in respect of Company's immovable properties, both present and future consisting of land, factory building structures, erections, godowns and furniture and fixtures.)

Note 17	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>CURRENT FINANCIAL LIABILITIES – TRADE PAYABLES</b>	₹	₹
Acceptances	-	-
Due to micro and small enterprises	1,952,329	3,839,449
Due to creditors other than micro and small enterprises	15,082,844	17,283,849
	<b>17,035,173</b>	<b>21,123,298</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 18	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
CURRENT – OTHER FINANCIAL LIABILITIES	₹	₹
<b>Investor Education and Protection Fund:</b>		
Unpaid dividends (refer foot note)	113,568	132,168
<b>Other payables:</b>		
Employee dues	4,278,064	2,543,810
Others	2,836,484	3,460,113
	<b>7,228,116</b>	<b>6,136,091</b>

(Note : There are no amounts due and outstanding to be credited to Investor Education and Protection fund as at 31<sup>st</sup> March, 2021.)

Note 19	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
OTHER CURRENT LIABILITIES	₹	₹
<b>Advances from customers</b>	233,595	207,524
<b>Other payables:</b>		
Statutory dues	363,395	359,799
Others	8,251,692	9,575,392
	<b>8,848,682</b>	<b>10,142,715</b>

Note 20	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
CURRENT - PROVISIONS	₹	₹
<b>Provision for employee benefits:</b>		
Provision for gratuity	1,470,995	2,084,748
Provision for leave encashment	108,835	44,778
<b>Provision for warranties</b>	130,313	269,523
<b>Others</b>	485,311	268,397
	<b>2,195,454</b>	<b>2,667,446</b>

Note 21	2020-21	2019-20
REVENUE FROM OPERATIONS	₹	₹
Sale of products	152,736,652	153,093,548
Other operating income	308,797	139,919
	<b>153,045,449</b>	<b>153,233,467</b>

Particulars of Sales of products	2020-21	2019-20
Self Adhesive Tapes	135,687,890	134,151,826
Self Adhesive Labels	17,357,560	19,081,641
	<b>153,045,450</b>	<b>153,233,467</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 22	2020-21	2019-20
<b>OTHER INCOME</b>	₹	₹
<b>Finance income</b>		
Interest income on loans to related parties	3,800,003	3,768,770
Interest income on deposits	886,719	408,103
Interest income on income tax refund	25,248	71,140
Interest income – Others	181,602	144,824
<b>Other non-operating income</b>		
Sundry credit balances written-back	545,258	158,288
Provision for warranty (withdrawn)	139,210	103,135
Provision for doubtful debts no longer required written back	1,928,461	-
Profit on sale of property, plant and equipment	-	136,104
Exchange gain (net)	133,981	-
	<b>7,640,482</b>	<b>4,790,364</b>

Note 23	2020-21	2019-20
<b>COST OF MATERIALS CONSUMED</b>	₹	₹
Opening stock	8,822,169	11,856,163
Add: Purchases	62,386,258	85,896,405
Less: Closing stock	(7,658,086)	(8,822,169)
	63,550,341	88,930,399
	<b>63,550,341</b>	<b>88,930,399</b>

Note 24	2020-21	2019-20
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN PROGRESS</b>	₹	₹
Closing stock		
Finished goods	1,088,398	6,946,325
Work-in-progress	8,381,070	11,740,056
Stock-in-trade	266,428	-
	<b>9,735,896</b>	<b>18,686,381</b>
Opening stock		
Finished goods	6,946,325	1,474,641
Work-in-progress	11,740,056	18,240,175
Stock-in-trade	-	-
	<b>18,686,381</b>	<b>19,714,816</b>
	<b>8,950,485</b>	<b>1,028,435</b>

Note 25	2020-21	2019-20
<b>EMPLOYEE BENEFITS EXPENSE</b>	₹	₹
Salaries, wages and bonus	26,834,932	29,732,408
Contribution to Provident fund and other funds	2,114,814	1,906,832
Contribution to gratuity	607,948	211,147
Workmen and staff welfare expenses	731,452	1,262,539
	<b>30,289,146</b>	<b>33,112,926</b>

Note 26	2020-21	2019-20
<b>FINANCE COSTS</b>	₹	₹
Interest expense	358,382	559,531
Others	-	76,568
	<b>358,382</b>	<b>636,099</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Note 27	2020-21	2019-20
OTHER EXPENSES	₹	₹
Consumption of stores and spares	289,003	436,164
Power and fuel	5,029,345	8,076,936
Repairs to buildings	51,575	-
Repairs to machinery	1,251,528	1,233,097
Conservancy charges	2,742,320	4,366,966
Insurance	585,128	488,774
Rates and taxes	4,147,364	5,638,437
Freight and forwarding	1,642,784	2,186,197
Sales promotion	551,309	586,303
Commission on sales	1,110,467	1,108,762
Legal and professional charges	773,257	1,196,070
Directors' sitting fees	11,000	55,000
Exchange loss (net)	-	177,756
Miscellaneous expenses	11,131,078	12,979,615
	<b>29,316,158</b>	<b>38,530,077</b>

## Miscellaneous expenses includes:

Payments to Auditors	2020-21	2019-20
	₹	₹
Auditors' remuneration (excluding applicable taxes)		
Audit fees	300,000	300,000
Tax audit fees	97,500	97,500
Certification work	30,000	30,000
Expenses reimbursed	15,496	15,196
	<b>442,996</b>	<b>442,696</b>

Other expenses	2020-21	2019-20
	₹	₹
Technical and testing fees	483,277	1,770,186
Repairs - others	421,668	468,927
Travelling	336,780	3,555,215
Vehicle expenses	900,515	1,243,882
Printing and stationery	186,968	295,892
Communication expenses	542,307	518,719
Bad debts written off	1,928,461	-
Provision for doubtful debts (net of recovery)	1,672,624	994,813
Security charges	1,795,565	1,893,499
Miscellaneous expenses	1,852,865	974,978
Bank charges	567,052	820,808
	<b>10,688,082</b>	<b>12,536,919</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21**

Note 28	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>I) CONTINGENT LIABILITIES (to the extent not provided for)</b>	₹	₹
(a) Claims against the Company not acknowledged as debts	-	-
(b) Sales tax notice issued by sales tax authorities for non collection of "C" forms (including interest and penalty)	7,676,187	12,467,153
(c) Income tax demands (including interest) which have been disputed by the Company	1,770,482	15,400
(d) Company's contribution to provident fund (consequent to Supreme Court enlarging the definition of basic wages and salary for computation)	<b>Amount not ascertained</b>	Amount not ascertained

II) COMMITMENTS:	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	25,600	938,131
(b) Other commitments	-	-

Note 29	2020-21	2019-20
<b>Expenditure on research and development (as certified by management)</b>	₹	₹
<b>Capital expenditure</b>		
Property, plant and equipment	-	-
<b>Sub-total (a)</b>	-	-
<b>Revenue expenditure</b>		
Raw materials consumed	778,947	1,954,618
Consumption of stores and spares	73,344	45,805
<b>Sub-total (b)</b>	<b>852,291</b>	<b>2,000,423</b>
<b>(a) + (b)</b>	<b>852,291</b>	<b>2,000,423</b>

**30 Disclosure as required by Indian Accounting Standard (Ind AS) 19, Employee Benefits :**
**A) Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as an expense and included in Employee Benefits Expense (Refer Note 25)

Particulars	2020-21	2019-20
	₹	₹
i) Employers contribution to Provident Fund	417,406	362,956
ii) Employers contribution to Family Pension Scheme	948,049	823,718
iii) Employers contribution to Employees State Insurance Scheme	301,451	329,980
iv) Employers contribution to Superannuation Scheme	111,290	110,004
v) Employers contribution to Labour Welfare Fund	17,010	18,990
<b>Total</b>	<b>1,795,206</b>	<b>1,645,648</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

## B) Defined Benefit Plans

	Gratuity	
	2020-21 (Funded)	2019-20 (Funded)
<b>I Change in present value of defined benefit obligation during the year</b>		
1 Present value of defined benefit obligation at the beginning of the year	4,740,914	3,088,551
2 Interest cost	334,371	231,641
3 Current service cost	344,504	214,859
4 Past service cost	112,083	-
5 Liability transfer from other company	-	-
6 Benefits paid	-	(1,114,612)
7 Actuarial (gains) / losses on obligations	1,210,416	2,320,475
8 Present value of defined benefit obligation at the end of the year	6,742,288	4,740,914
<b>II Change in fair value of plan assets during the year</b>		
1 Fair value of plan assets at the beginning of the year	2,656,166	3,454,495
2 Interest Income	183,010	-
3 Expected return of plan assets excluding interest income	109,326	235,353
4 Contributions	2,322,791	80,930
5 Transfer from other company	-	-
6 Benefits paid	-	(1,114,612)
7 Actuarial gain / (loss) on plan assets	-	-
8 Fair Value of plan assets at the end of the year	5,271,293	2,656,166
9 Total actuarial gain/(loss) to be recognised	(1,210,416)	(2,320,475)
<b>III Actual return on plan assets</b>		
1 Expected return on plan assets	109,326	235,353
2 Actuarial gain / (loss)	183,010	-
3 Actual return on plan assets	(Refer note 2 below)	(Refer note 2 below)
<b>The major categories of plan assets as a percentage of total plan assets</b>	<b>As per LIC Scheme</b>	<b>As per LIC Scheme</b>
<b>IV Net asset / (liability) recognised in the balance sheet</b>		
1 Liability at the end of the year	(6,742,288)	(4,740,914)
2 Plan assets at the end of the year	5,271,293	2,656,166
3 Amount Liability / (Asset) recognised in the balance sheet	1,470,995	2,084,748
<b>V Expenses recognised in the statement of profit and loss for the year</b>		
1 Current service cost	344,504	214,859
2 Interest cost	151,361	231,641
3 Expected return on plan assets	-	(235,353)
4 Total expenses as per actuarial valuation	-	-
5 Past Service cost	112,083	-
6 Total expenses included in employee benefit	607,948	211,147

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

30 Disclosure as required by Indian Accounting Standard (Ind AS) 19, *Employee Benefits (contd.)* :

	Gratuity	
	2020-21 (Funded)	2019-20 (Funded)
<b>VI Recognised in other comprehensive income for the year</b>		
1 Actuarial (gains) / losses	1,210,416	2,320,475
2 Expected return of plan assets excluding interest income	(109,326)	-
3 Recognised in other comprehensive income for the year	1,101,090	2,320,475
<b>VII Balance Sheet reconciliation</b>		
1 Present value of defined benefit obligation at the end of the year	6,742,288	4,740,914
2 Fair Value of plan assets at the end of the year	5,271,293	2,656,166
3 Employer contribution	-	-
4 Liability transfer from other Company	-	-
5 Amount recognised in the balance sheet	1,470,995	2,084,748
<b>VIII The major categories of plan assets as a percentage of total</b>		
Insurer managed funds	-	-
<b>IX Effect of one percent point change in the assumed medical inflation rate</b>		
(1) Increase/(decrease) on aggregate service and interest cost of		
Post Retirement Medical Benefits		
(i) One percentage point increase in Discount rate	-	-
(ii) One percentage point decrease in Discount rate	-	-
(2) Increase/(decrease) on present value of defined benefits		
obligation as at 31 <sup>st</sup> March, 2021		
(i) One percentage point increase in Medical Inflation rate	-	-
(ii) One percentage point decrease in Medical Inflation rate	-	-
<b>X Actuarial assumptions</b>		
1 Discount rate	6.89%	7.25%
2 Rate of return on plan assets	(Refer note 2 below)	(Refer note 2 below)
3 Salary escalation	5.00%	5.00%
4 Mortality pre retirement rate		
5 Mortality post retirement rate		
6 Medical premium inflation rate		

- (b) The Company makes contribution towards provident fund and superannuation fund as a defined contribution retirement benefit plan for qualifying employees. To fund the benefits, the Company is required to contribute a specified percentage of salary to the respective Funds, which administer the retirement benefit schemes.
- (d) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31<sup>st</sup> March, 2021. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (e) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (f) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- The Company makes contributions to the Employees Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to employees on retirement, death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.
  - Rate of return on plan assets, actual return on plan assets and the corresponding actuarial gains / losses are not ascertained, but are not expected to be material.
  - The Company operates a leave encashment scheme, which is an unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

Disclosure as required by Indian Accounting Standard (Ind AS) 19, <i>Employee Benefits</i> : (contd.)		
	Leave encashment (unfunded) ₹ 2020-21	Leave encashment (unfunded) ₹ 2019-20
<b>I Change in present value of defined benefit obligation during the year</b>		
1 Present value of defined benefit obligation at the beginning of the year	1,553,862	1,515,362
2 Interest cost	107,061	118,047
3 Current service cost	213,935	193,355
4 Past service cost	-	-
5 Benefits paid	(13,080)	(231,621)
6 Actuarial (gains) / losses on obligations	347,487	(41,281)
7 Present value of defined benefit obligation at the end of the year	2,209,265	1,553,862
<b>II Change in fair value of plan assets during the year</b>		
1 Fair value of plan assets at the beginning of the year	-	-
2 Expected return of plan assets	-	-
3 Contributions	-	-
4 Benefits paid	-	-
5 Actuarial gain / (loss) on plan assets	-	-
6 Fair Value of plan assets at the end of the year	-	-
7 Total actuarial gain/(loss) to be recognised	(347,487)	41,281
<b>III Actual return on plan assets</b>		
1 Expected return on plan assets	-	-
2 Actuarial gain / (loss)	-	-
3 Actual return on plan assets	-	-
<b>IV Net asset / (liability) recognised in the balance sheet</b>		
1 Liability at the end of the year	(2,209,265)	(1,553,862)
2 Plan assets at the end of the year	-	-
3 Amount recognised in the balance sheet	(2,209,265)	(1,553,862)
<b>V Expenses recognised in the statement of profit and loss for the year</b>		
1 Current service cost	213,935	193,355
2 Interest cost	107,061	118,047
3 Expected return on plan assets	-	-
4 Actuarial (gain) / losses	347,487	(41,281)
5 Past service cost	-	-
6 Total expenses as per actuarial valuation	668,483	270,121
7 Optional payment	-	-
8 Total expenses	668,483	270,121
<b>VI Balance sheet reconciliation</b>		
1 Opening net liability	1,553,862	1,515,362
2 Expenses as above	668,483	270,121
3 Benefits Paid	(13,080)	(231,621)
4 Amount recognised in the balance sheet *	2,209,265	1,553,862
<b>VII The major categories of plan assets as a percentage of total :</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>VIII Actuarial assumptions:</b>		
1 Discount rate	6.86%	6.89%
2 Rate of return on plan assets	<b>Not Applicable</b>	<b>Not Applicable</b>
3 Rate of mortality	<b>India Assured</b>	<b>India Assured</b>
4 Salary escalation	5.00%	5.00%
* The closing net liability is disclosed as follows:		
Disclosed in Note 14 - Non-Current Provisions	2,100,430	1,509,084
Disclosed in Note 20 - Current Provisions	108,835	44,778
<b>General description of the defined benefit plans :</b>		
1) The Company makes contributions to the Employees Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to employees on retirement, death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.		
2) Rate of return on plan assets, actual return on plan assets and the corresponding actuarial gains / losses are not ascertained, but are not expected to be material.		
3) The Company operates a leave encashment scheme, which is an unfunded scheme. The present value of obligation under this scheme is based on an actuarial valuation, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

31 Disclosure as required by Indian Accounting Standard (Ind AS) 108, Operating Segments

## Primary Segments (Business Segments)

a) For the financial year ended 31<sup>st</sup> March, 2021

Particulars	Self Adhesive Tapes	Speciality Labels	Unallocable Income / Assets Liabilities	Total
	₹	₹	₹	₹
<b>Revenue</b>				
External sales	135,687,890	17,357,560	-	153,045,450
Add : Inter-segment sales	1,224,306	-	-	1,224,306
<b>Total</b>	<b>136,912,196</b>	<b>17,357,560</b>	<b>-</b>	<b>154,269,756</b>
<b>Segment results</b>	608,951	302,209	-	911,160
Add : Interest income	-	-	-	4,868,324
Less : Interest expense	-	-	-	358,382
Add : unallocable income / (expenditure)	-	-	-	2,772,158
Net of unallocable income	-	-	-	7,282,100
Profit before tax	-	-	-	8,193,272
Provision for current tax	-	-	-	(2,397,000)
Taxation adjustments of earlier years	-	-	-	-
Provision for deferred tax	-	-	-	(1,529,096)
<b>Profit / (loss) after tax</b>				<b>4,267,176</b>
<b>Capital employed :</b>				
Segment assets	174,724,688	44,433,204	1,586,301	220,744,193
Segment liabilities	37,225,747	3,775,380	-	41,001,127
<b>Net assets</b>	<b>137,498,941</b>	<b>40,657,824</b>	<b>1,586,301</b>	<b>179,743,066</b>
Capital expenditure	1,280,709	-	-	1,280,709
Depreciation and amortization expense	5,105,429	615,260	-	5,720,689
Non-cash expenditure (other than depreciation)	-	-	-	-

b) For the financial year ended 31<sup>st</sup> March, 2020

Particulars	Self Adhesive Tapes	Speciality Labels	Unallocable Income / Assets Liabilities	Total
	₹	₹	₹	₹
<b>Revenue</b>				
External sales	134,151,826	19,081,641	-	153,233,467
Add : Inter-segment sales	2,299,301	-	-	2,299,301
<b>Total</b>	<b>136,451,127</b>	<b>19,081,641</b>	<b>-</b>	<b>155,532,768</b>
<b>Segment results</b>	(19,135,401)	4,902,870	-	(14,232,531)
Add : Interest income	-	-	-	4,321,697
Less : Interest expense	-	-	-	636,099
Add : unallocable income / (expenditure)	-	-	-	445,196
Net of unallocable income	-	-	-	4,130,794
Profit before tax	-	-	-	(10,101,737)
Provision for current tax	-	-	-	-
Taxation adjustments of earlier years	-	-	-	(1,095,706)
Provision for deferred tax	-	-	-	2,953,005
<b>Profit after tax</b>				<b>(8,244,438)</b>
<b>Capital employed :</b>				
Segment assets	206,130,594	22,131,285	4,204,861	232,466,740
Segment liabilities	52,284,104	3,622,851	-	55,906,955
<b>Net assets</b>	<b>153,846,490</b>	<b>18,508,434</b>	<b>4,204,861</b>	<b>176,559,785</b>
Capital expenditure	1,964,571	-	-	1,964,571
Depreciation and amortization expense	5,287,171	600,461	-	5,887,632
Non-cash expenditure (other than depreciation)	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

## 32 Disclosure as required by Indian Accounting Standard (IAS) 24 Related Party Disclosures :

(a) Relationships:

## List of related parties where control exists:

(i) Holding Company

1 CG Power and Industrial Solutions Limited

(ii) Key Management Personnel

1 Sagar Mohbe - Additional Director and Chief Executive Officer

(b) The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Nature of transaction / relationship	2020-21	2019-20
		₹	₹
1	Sale of goods Holding Company	44,455,539	938,131
		<b>44,455,539</b>	<b>938,131</b>
2	Dividend paid Holding Company	-	3,810,633
		-	<b>3,810,633</b>
3	Interest income Holding Company	3,800,003	3,768,770
		<b>3,800,003</b>	<b>3,768,770</b>
4	Payment of salary and perquisites Holding Company (Reimbursement) Key Management Personnel	3,806,054	4,804,638
		<b>3,806,054</b>	<b>4,804,638</b>
5	Recovery of expenses Holding Company (security charges)	-	358,226
		-	<b>358,226</b>
6	Inter Corporate deposits placed Holding Company	-	47,500,000
		-	<b>47,500,000</b>

(c) Amount due to / from related parties

Sr. No.	Nature of transaction / relationship	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
		₹	₹
1	Trade receivable Holding Company	26,289,840	58,531,196
2	Other receivable Holding Company	45,709,270	46,087,254
		<b>71,999,110</b>	<b>104,618,450</b>

(d) Compensation of Key Management Personnel

Sr. No.	Nature of transaction / relationship	2020-21	2019-20
		₹	₹
1	Short - term employee benefits	<b>3,806,054</b>	<b>4,804,638</b>
2	Post - employment pension, provident fund and medical benefits	-	-
		<b>3,806,054</b>	<b>4,804,638</b>

Note: The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year end are unsecured and settlement occurs in cash.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21****33 Indian Accounting Standard (Ind AS) 116, Leases:**

The Company does not have lease which is covered under Ind AS 116, to classify as Right-of-Use assets. Accordingly, no disclosure has been made under the aforesaid standard.

**34 Disclosure as required by Indian Accounting Standard (Ind AS) 33, Earnings Per Share**

Particulars		2020-21 ₹	2019-20 ₹
Profit / (loss) after tax	Amount in ₹	3,183,281	(9,950,004)
Number of equity shares outstanding	Nos.	3,900,000	3,900,000
Face value of equity share	₹/share	10	10
Earnings per share (basic and diluted)	₹	0.82	(2.55)

**35 Foreign currency transactions, Forward contracts and Derivatives:**

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31<sup>st</sup> March, 2021 are as under

Sr. No.	Category of Derivative Instruments	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1	<b>For hedging foreign currency risks:</b>		
		<b>Amount in hedged foreign currency*</b>	<b>Amount in hedged foreign currency</b>
	(a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	-	-
	(b) Option contracts	-	-
	(c) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	-	-
		₹	₹
2	<b>For hedging commodity price risks</b>		
	Commodity futures	-	-
3	<b>Particulars of Unhedged foreign currency exposure as at the balance sheet date:</b>		
	<b>A) Trade payables</b>	₹	₹
	<b>Foreign currency</b>	<b>Amount in Indian Rupees</b>	
		<b>2020-21</b>	<b>2019-20</b>
	USD	-	-
	<b>B) Trade receivables</b>		
	<b>Foreign currency</b>	<b>Amount in Indian Rupees</b>	
		<b>2020-21</b>	<b>2019-20</b>
	USD	-	48,702

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

## 36 Accounting classifications and fair values

A As at 31<sup>st</sup> March, 2021

₹

Particulars	Carrying amount As at 31 <sup>st</sup> March, 2021	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>				
Trade and other receivables (current)	61,345,484	-	-	-
Loans and other receivables (non-current)	45,457,663	-	-	-
Loans and other receivables (current)	190,938	-	-	-
Cash and cash equivalents	3,082,682	-	-	-
Bank balances	3,635,665	-	-	-
Short-term deposits	1,664,735	-	-	-
	<b>115,377,167</b>	-	-	-
<b>Financial assets at fair value through profit or loss</b>				
Forward contract receivable	-	-	-	-
Investments	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>115,377,167</b>	-	-	-
<b>Financial liabilities at amortised cost</b>				
Working capital loan from bank	2,399,480	-	-	-
Trade and other payables	17,035,173	-	-	-
Other financial liabilities (non-current)	965,001	-	-	-
Other financial liabilities (current)	7,228,116	-	-	-
<b>Total</b>	<b>27,627,770</b>	-	-	-

B As at 31<sup>st</sup> March, 2020

₹

Particulars	Carrying amount As at 31 <sup>st</sup> March, 2020	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>				
Trade and other receivables (current)	97,155,033	-	-	-
Loans and other receivables (non-current)	32,824	-	-	-
Loans and other receivables (current)	212,447	-	-	-
Cash and Cash equivalents	2,841,257	-	-	-
Bank balances	5,844,286	-	-	-
Short-term deposits	2,697,732	-	-	-
	<b>108,783,579</b>	-	-	-
<b>Financial assets at fair value through profit or loss</b>				
Forward contract receivable	-	-	-	-
Investments	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>108,783,579</b>	-	-	-
<b>Financial liabilities at amortised cost</b>				
Working capital loan from bank	13,353,320	-	-	-
Trade and other payables	21,123,298	-	-	-
Other financial liabilities (non-current)	975,001	-	-	-
Other financial liabilities (current)	6,136,091	-	-	-
<b>Total</b>	<b>41,587,710</b>	-	-	-

NOTES  
FORMING  
PART  
OF  
THE  
FINANCIAL  
STATEMENTS

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21**
**37 Foreign currency exposure as at 31<sup>st</sup> March, 2021**

Particulars	USD	Total
	₹	₹
Trade receivables	-	-
Loans and other receivables	-	-
Bank balances in current accounts and term deposit accounts	-	-
Trade payables	-	-
Forward contracts for receivable	-	-
Forward contracts for loan	-	-

Foreign currency exposure as at 31<sup>st</sup> March, 2020

Particulars	USD	Total
	₹	₹
Trade receivables	48,702	48,702
Loans and other receivables	-	-
Bank balances in current accounts and term deposit accounts	-	-
Trade payables	-	-
Forward contracts for receivable	-	-
Forward contracts for payable	-	-
Forward contracts for loan	-	-

*Foreign currency sensitivity*

Particulars	2020-21		2019-20	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
	₹	₹	₹	₹
USD	-	-	487	(487)
<b>Increase \ (Decrease) in profit or loss</b>	-	-	<b>487</b>	<b>(487)</b>

**Equity Price Risk**

The company does not have any investments.

**Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information such as :

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counter party,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- (iv) Significant increases in credit risk on other financial instruments of the same borrower
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

*Exposure to credit risk*

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	₹	₹
Investments in Government or trust securities	-	-
Investments in Debentures or bonds	-	-
Other non-current investments carried at amortised cost	-	-
Long-term loans and advances	45,457,663	32,824
Other long term financial assets	157,059	157,059
Trade receivables	61,345,484	97,155,033
Cash at bank	6,718,347	8,685,543
Short-term loans and advances	1,855,673	2,910,179

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	Amount (₹)
<b>31<sup>st</sup> March, 2021</b>	
Up to 3 months	44,622,936
3 to 6 months	13,701,236
More than 6 months	8,105,036
	<b>66,429,208</b>
<b>31<sup>st</sup> March, 2020</b>	
Up to 3 months	30,229,108
3 to 6 months	11,648,311
More than 6 months	60,643,243
	<b>102,520,662</b>

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables measured using life-time expected credit model:

Particulars	Amount (₹)
<b>As at 1<sup>st</sup> April, 2019</b>	4,578,339
Provided during the year	994,814
Amounts written - off	-
Reversals of provision	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>5,573,153</b>
Provided during the year	1,687,859
Amounts written - off	(1,928,461)
Reversals of provision	(15,231)
<b>As at 31<sup>st</sup> March, 2021</b>	<b>5,317,320</b>

**Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management is responsible for liquidity, funding as well as settlement management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

*Maturity profile of financial liabilities*

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 <sup>st</sup> March, 2021	Less than one year ₹	1 to 5 years ₹
Obligations under finance leases	-	-
Deposits payable	75,000	890,001
Working capital demand loan from bank	2,399,480	-
Trade payables	17,035,173	-
Other financial liabilities	7,228,116	-
<b>As at 31<sup>st</sup> March, 2020</b>		
Obligations under finance leases	-	-
Deposits payable	25,000	950,001
Working capital demand loan from bank	13,353,320	-
Trade payables	21,123,298	-
Other financial liabilities	6,136,091	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS: 2020-21

**Capital management**

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The company includes interest bearing loans and borrowings, trade and other payables and cash and short terms deposits excluding discontinued operations within net debt.

Particulars	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
Interest - bearing loans and borrowings	2,399,480	13,353,320
<b>Net debt</b>	<b>2,399,480</b>	<b>13,353,320</b>
Equity	179,743,066	176,559,785
<b>Capital and net debt</b>	<b>182,142,546</b>	<b>189,913,105</b>
Gearing ratio	1.33%	7.56%

**38 Liquidity risk****Maturity profile of financial liabilities**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 <sup>st</sup> March, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Deposits payable	75,000	-	-	890,001	-	965,001
Working capital demand loan from bank	2,399,480	-	-	-	-	2,399,480
Trade payables	-	16,871,537	163,636	-	-	17,035,173
Other financial liabilities	2,836,484	113,568	4,278,064	-	-	7,228,116
	<b>5,310,964</b>	<b>16,985,105</b>	<b>4,441,700</b>	<b>890,001</b>	-	<b>27,627,770</b>

As at 31 <sup>st</sup> March, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Deposits payable	25,000	-	-	950,001	-	975,001
Working capital demand loan from bank	13,353,320	-	-	-	-	13,353,320
Trade payables	-	20,261,412	861,886	-	-	21,123,298
Other financial liabilities	3,460,113	132,168	2,543,810	-	-	6,136,091
	<b>16,838,433</b>	<b>20,393,580</b>	<b>3,405,696</b>	<b>950,001</b>	-	<b>41,587,710</b>

39 The Company elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-Tax Act, 1961 as amended. The Company, accordingly has recognized provision for income tax and re-measured its deferred tax liabilities on the basis of the rate prescribed in the said Section.

40 COVID-19 has caused disruptions to businesses across India. The management has considered subsequent events, internal and external information in finalising various financial estimates as at the date of approval of these financial statements and have not identified any material impact on the carrying value of assets, liabilities or provisions. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

41 Figures for the previous year have been regrouped wherever necessary.

**Signatures to Note A, Note 1 to 41**

SHARP & TANNAN  
Chartered Accountants  
Firm Registration No.: 109982W  
by the hand of

**Edwin P Augustine**  
Partner  
Membership No.: 043385  
Mumbai, 14<sup>th</sup> May, 2021

**Sagar Mohbe**  
Director & CEO  
DIN: 08688255  
Mumbai, 14<sup>th</sup> May, 2021

**Lloyd Pinto**  
Director  
DIN: 09012100

**Ranjan Singh**  
Director  
DIN: 09021540

# A TAPE



For Every Application....



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