



# Jumbo Bag Limited

ISO 9001 & 14001

25<sup>th</sup>

**ANNUAL REPORT  
2014-2015**



**WE SHARE OUR JOY**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

(As on 31<sup>st</sup> May 2015)

<b>SRI K.J.M. SHETTY,</b> I.A.S. (Retd.)	Chairman
<b>SRI G.P.N. GUPTA</b>	Managing Director
<b>SRI G. RADHAKRISHNA</b>	Director
<b>SRI M. RAMA RAO</b>	Director
<b>SRI M.V. ANANTHAKRISHNA</b>	Director
<b>DR. GADDAM KUMAR REDDY</b>	Director
<b>SRI G.S. ANIL KUMAR</b> (Whole-time Director)	Director- Finance
<b>SRI G.P. RAMRAJ</b> (Whole-time Director)	Director- Marketing
<b>SMT S. SUBHASHINI *</b>	Additional Director

\* appointed w.e.f. 27.03.2015

### AUDIT COMMITTEE

<b>SRI K.J.M. SHETTY</b>	Chairman
<b>SRI G.P.N. GUPTA</b>	Member
<b>SRI M.V. ANANTHAKRISHNA</b>	Member

### REGISTERED OFFICE:

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

### PLANT LOCATION:

**Unit I:** No.75, Thatchur Kootu Road,  
Panjetty Village, Ponneri Taluk,  
Tiruvallur District – 601 204

**Unit II:** No.106, G.N.T. Road,  
Alingivakkam P.O., Athipedu Village,  
Chennai – 600 067

### STATUTORY AUDITORS:

M/s. M. SRINIVASAN & ASSOCIATES  
Chartered Accountants,  
No.5, 9th Floor, B Wing, Parsn Manere,  
602, Anna Salai, Chennai – 600 006

### BANKERS:

State Bank of India  
State Bank of Hyderabad

### REGISTRARS & SHARE TRANSFER AGENT:

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

### LISTING:

The Bombay Stock Exchange Limited

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. P. PREMA SONA BHARATHI

**MISSION**

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

**VISION**

To be a world leader in the field of packaging.

**GREEN INITIATIVES IN CORPORATE GOVERNANCE**

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

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### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25<sup>th</sup> ANNUAL GENERAL MEETING of the members of JUMBO BAG LIMITED will be held at Andhra Mahila Sabha, No. 109, Luz Church Road, Mylapore, Chennai - 600004 at 10.30 A.M. on Wednesday, the 23<sup>rd</sup> September, 2015 to transact the following:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31<sup>st</sup> March, 2015 and the statement of Profit & Loss for the year ended on that date and the report of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Sri G.S. Anil Kumar (DIN:00080712) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Sri G.P. Ramraj (DIN: 01863584), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, approve with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provision of section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions of the Companies Act, 2013, the appointment of M/s. M. Srinivasan & Associates, Chartered Accountants, (Firm Registration No. 004050S) who were appointed as auditors of the Company at the 24<sup>th</sup> Annual General Meeting of the Company, to hold office till the conclusion of 27<sup>th</sup> Annual General Meeting, be and is hereby ratified, and that they shall be paid a remuneration as fixed by the Board of Directors of the Company".

#### SPECIAL BUSINESS

5. To consider and, if thought fit, approve with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 152, second proviso to Section 149 (1) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Smt. S. Subhashini (DIN: 03561759) who was appointed as an Additional Director with effect from 27<sup>th</sup> March, 2015 by the Board of Directors of the Company and who in terms of Section 161 of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as a Non-executive Director of the Company, liable to retire by rotation".

#### Registered Office:

"S.K.Enclave", New No.4, (Old No.47)  
Nowroji Road, Chetpet,  
Chennai 600 031  
Date: 14.08.2015

#### By Order of the Board of Directors for Jumbo Bag Limited

**G.P.N. GUPTA**  
**MANAGING DIRECTOR**  
**DIN: 00086174**

#### NOTES:

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE MEETING.**

2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the AGM is annexed hereto.

4. Members/ Proxies should bring the Attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of the Annual Report. As a measure of austerity, copies of the Annual Report shall not be distributed at the AGM.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September, 2015 to 23<sup>rd</sup> September, 2015 (both days inclusive).
8. The Ministry of Corporate Affairs has taken a Green Initiative, which permits the company to send Annual Report, Notice via E-mail to all the shareholders. It is requested that all the shareholders update/ furnish their E-Mail ID with their respective DPs which will enable the company to implement the Green Initiative and make such correspondences vide E-Mail in future.
9. Copies of the Annual Report 2015 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e mail addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the company.
11. Members are requested to intimate to the Company queries if any regarding the accounts/ notice at least seven days before the meeting to enable the management to keep the required information readily available at the meeting.
12. Members may also note that the Notice of the 25<sup>th</sup> AGM and the Annual Report 2014-15 will be available on the Company's website; [www.jumbobaglimited.com](http://www.jumbobaglimited.com). All documents referred to in the accompanying notice are open for inspection at the registered office of the Company during working hours between 11.00 a.m. to 1.00 p.m. except on holidays. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [csjbl@blissgroup.com](mailto:csjbl@blissgroup.com).
13. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary at the Company's Registered Office. Members are requested to note that dividends not claimed within seven (7) years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to Investor Education and Protection Fund. Members whose dividends remain unpaid are requested to check, whether they have en-cashed dividend warrants for earlier years. If the dividend warrants are not en-cashed, please apply for cheque/ demand draft in lieu of those dividend warrants before the last dates as indicated in the table:

<b>Dividend for the year ended</b>	<b>Rate of Dividend (%)</b>	<b>Dividend warrant dated</b>	<b>Date on which Unpaid amount is required to be transferred to Investor Education and Protection Fund</b>	<b>Shareholders should apply latest by</b>
31.03.2008	5	08.10.2008	14.12.2015	30.11.2015*
31.03.2009	6	12.10.2009	29.11.2016	17.11.2016

A sum of Rs.4,19,749/- which was lying as balance under unpaid dividend account for the year ended 31.03.2007 was credited to the Investor Education and Protection Fund on 16.12.2014 as required under Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956).

\*Members who have not collected their Dividend for the year ended 31.03.2008 are requested to refer the list of unclaimed dividend holders which has been published in the website of the company, viz. [www.jumbobaglimited.com](http://www.jumbobaglimited.com) and are informed to collect the same before 30<sup>th</sup> November 2015 after which it will be credited to the Investor Education and Protection fund as required under Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956).



## 14. E Voting & its Procedure:

### Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 25<sup>th</sup> Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 17<sup>th</sup> September, 2015, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on Sunday, 20<sup>th</sup> September, 2015 and will end at 5.00 p.m. on Tuesday, 22<sup>nd</sup> September, 2015. The Company has appointed M/s. Lakshmmi Subramanian & Associates, Practising Company Secretaries, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. E-Voting is optional.

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

The procedure and instructions for the same are as follows:

#### In case of members receiving e-mail:

- ❖ Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ❖ Click on "Shareholders" tab.
- ❖ Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- ❖ Now Enter your User ID (for CDSL: 16 digits beneficiary ID, for NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- ❖ If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- ❖ Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

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

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

- ❖ After entering these details appropriately, click on "SUBMIT" tab.
- ❖ Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on

which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- ❖ For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ❖ Click on <Company Name> on which you choose to vote.
- ❖ On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- ❖ Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- ❖ After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- ❖ Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- ❖ You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- ❖ If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- ❖ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- ❖ Please follow all steps from s. no. (i) to s. no. (xvii) above to cast vote.
- ❖ The voting period begins on 20.09.2015 and ends on 22.09.2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 17.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ❖ In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

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

The Notice of the Annual General Meeting and this Communication are also available on the website of the Company at [www.jumbobaglimited.com](http://www.jumbobaglimited.com)

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



**Registered Office:**

"S.K.Enclave", New No.4, (Old No.47)  
Nowroji Road, Chetpet,  
Chennai 600 031

**Date:** 14.08.2015

**By Order of the Board of Directors  
for Jumbo Bag Limited**

**G.P.N. GUPTA  
MANAGING DIRECTOR  
DIN:00086174**

**ANNEXURE TO NOTICE**

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No.5**

The Board of Directors at their meeting held on 27<sup>th</sup> March 2015 on the recommendation of the Nomination and Remuneration Committee appointed Smt. S. Subhashini as an Additional Director in terms of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 to hold office up to the date of the ensuing Annual General Meeting (AGM) of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Smt. S. Subhashini for the office of Director of the Company.

Smt. S. Subhashini is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director in the Company.

The Board of Directors propose the appointment of Smt. S. Subhashini as a Non-Executive Director of the Company and recommend the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the members at the ensuing Annual General Meeting.

None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, in the proposed Ordinary Resolution as set out in Item No. 5 of the Notice, except to the extent of their shareholding, if any, in the Company.

**Registered Office:**

"S.K.Enclave", New No.4, (Old No.47)  
Nowroji Road, Chetpet,  
Chennai 600 031

**Date:** 14.08.2015

**By Order of the Board of Directors  
for Jumbo Bag Limited**

**G.P.N. GUPTA  
MANAGING DIRECTOR  
DIN: 00086174**



**Additional information on directors recommended for appointment/ re-appointment as required under Clause 49 of the Listing Agreement**
**G.S. Anil Kumar**

Sri G.S. Anil Kumar has been associated with Jumbo Bag Limited since the beginning of his career in 1992 as a management trainee. He was trained in the finance line and at present he heads the finance portfolio of the company. His array of exposure has extended to areas like Project Planning and Execution, Finance, Costing and Cost Control, Commercial handling including contracts and Modern Management Initiatives, legal matters, Management Quality System, etc. Sri G.S. Anil Kumar has played a key role in taking the company to a level up with his professional diligence.

Sri G.S. Anil Kumar is a qualified Chartered Accountant. He has served the company for about 7 years as Director-Finance.

Directorship in other companies	Membership/ Chairmanship of Board in other Companies
Andhra Chamber of Commerce Indian Flexible Intermediate Bulk Container Association Magic Land Ventures Private Limited	NIL

**G.P. Ramraj**

Sri G.P. Ramraj has also been associated with the company since 1992 and is well trained in the company from the level of Management Executive in Marketing. He is the marketing head of the company at present. Also, he has been instrumental in the expansion of market for the company's products. Under his leadership as Director – Marketing, the company has diversified in terms of geography with bags reaching across 30 countries worldwide. He has been instrumental in bringing variety to Jumbo Bags that are tested in European laboratories which have been helpful in penetrating the western market. He has also been instrumental in procuring advanced equipments for the company which matches the European design.

Sri G.P. Ramraj holds a degree in Commerce. He has served the company for about 7 years as Director-Marketing. He does not hold directorship in any other company.

**S. Subhashini**

Smt. S. Subhashini is a Cost and Management Accountant having a decade of experience in handling Statutory Cost Audits and compliances of various Corporate, Special audits of Large Tax payers, Structuring of their costing modules and integration with ERP, process study, Indirect Taxation and transfer pricing. She is also an insurance professional having a decade of experience in public sector Insurance Company in underwriting, claims and independently handled finalization of Divisional accounts. Smt. Subhashini's rich professional experience and background will be a valuable asset to the company. Other Directorships held by Smt. S. Subhashini is given as under:

Directorship in other companies	Membership/ Chairmanship of Board in other Companies
Drona Ventures India Private Limited Kenspire Advisors Private Limited	NIL

**DIRECTORS' INTEREST**

The Directors of the Company may be deemed to be concerned or interested to the extent of shares held by them in the Company as given in the table below:

Name of the Director	No. of Shares	% Holding
K.J.M. Shetty	NIL	NA
G.P.N. Gupta	1,15,873	1.38
G. Radhakrishna	99,495	1.19
M.V. Ananthakrishna	NIL	NA
M. Rama Rao	NIL	NA
S. Subhashini	NIL	NA
Dr. Gaddam Kumar Reddy	75,230	0.90
G.S. Anil Kumar	32,550	0.39
G.P. Ramraj	33,500	0.40



## DIRECTORS' REPORT

To the Members,

Your Directors present their 25<sup>th</sup> Annual Report together with the audited statement of accounts of the Company for the financial year ended on 31<sup>st</sup> March 2015.

### FINANCIAL RESULTS:

(Rs in Lakhs)

PARTICULARS	2014-15	2013-14
<b>SALES AND OTHER INCOME</b>	9,635.60	8,352.73
<b>PROFIT BEFORE INTEREST, DEPRECIATION &amp; TAXES</b>	886.73	(482.79)
<b>INTEREST</b>	664.05	410.97
<b>DEPRECIATION</b>	170.84	193.18
<b>PROFIT/ (LOSS) BEFORE TAX</b>	51.84	(1,086.94)
<b>EXCEPTIONAL ITEMS / CONTINGENCIES</b>	(200.00)	841.43
<b>TAX (DEFERRED TAX FOR 2014-15)/INCOME TAX</b>	13.44	24.19
<b>PROFIT/ (LOSS) AFTER TAX</b>	(134.72)	(221.32)
<b>PROFIT OF EARLIER YEARS</b>	286.70	508.02
<b>DEPRECIATION CHARGED OF PREVIOUS YEARS (AS PER NEW COMPANIES ACT)</b>	236.11	-
<b>INCOME TAX CHARGED OF PREVIOUS YEAR (2011-12)</b>	9.88	-
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	(94.01)	286.70

### OPERATIONS AND FINANCIAL PERFORMANCE:

The consolidated revenue of Jumbo Bag Limited stands at Rs. 96.36 Crores for the financial year ended on 31<sup>st</sup> March 2015 as compared to the revenue of Rs 83.53 crores in the previous year. Your Company has incurred a loss during this year amounting to Rs. 1.35 Crores in the current year as against the loss of Rs.2.21 Crores in the previous year.

The after effects of the major fire accident that your company had faced towards the end of 2013-14 had serious implications in its performance in the financial year 2014-15 as well, since your company was able to carry on the manufacturing activity in only one of its manufacturing units. Your company strove to find the best alternative solution to build up the production capacity that was lost in the fire accident. However, the company managed to stabilize its production during the course of the Financial Year 2014-15.

The machineries and equipments from Unit II, where the fire broke, were shifted to Unit I and the satellite units during the year and this helped in maintaining the optimal level of production. The current stabilization in production has helped the company to recover some of the loss incurred last year. However, your company expects the payment of insurance claim to enable further stabilization in the operations.

Your company continues its struggle with the insurance claim process which is still underway. During the month of November, 2014, the company had received a letter of repudiation from one of the insurance company against the claim made in the earlier year in respect of loss of stock. Based on the legal advice received the stand taken by the insurance company is not tenable and your company has already filed the objection/appeal against the said letter. Your company is taking necessary measures to seek appropriate remedies in the matter. Based on expert legal advice, the Company believes that it has a good case and expects a favourable decision from the regulatory authorities.

Your company continues to perform well on the trading sector and the growth trajectory has been maintained on an upward trend with the increase in sales commission by 22% in the year 2014-15 as against 2013-14. With the impressive performance over the last 4 years, Indian Oil Corporation Limited (IOCL) has provided an opportunity to your company to expand the trading business geographically and to venture in the North