

# Annual Report 2019-2020



**Shree Krishna Paper Mills  
& Industries Limited**





**BOARD OF DIRECTORS**

Mr. Narendra Kumar Pasari (Managing Director)  
Mr. Bishwanath Pasari  
Mr. Lal Chand Sharma  
Mr. Prakash Narayan Singh  
Mr. Rajesh Mujoo  
Mrs. Rakhi Verma

**CHIEF FINANCIAL OFFICER**

Mr. Sanjiv Kumar Agarwal

**COMPANY SECRETARY**

Ms. Ritika Priyam

**AUDITORS**

M/s. Radheshyam Sharma & Co.  
Chartered Accountants  
Delhi

**COST AUDITORS**

M/s. Vijender Sharma & Co.  
Cost Accountants  
Delhi

**SECRETARIAL AUDITORS**

M/s. BLAK & Co.  
Company Secretaries  
New Delhi

**BANKERS**

Bank of India  
Dena Bank  
The Catholic Syrian Bank Ltd.  
Andhra Bank

**REGISTERED OFFICE**

4830/24, Prahlad Street,  
Ansari Road, Darya Ganj,  
New Delhi - 110 002  
CIN : L21012DL1972PLC279773  
Ph. 011- 46263200, 23261728  
Fax. 011-23266708  
E-mail : info@skpmil.com  
Website : www.skpmil.com

**WORKS**

Plot No. "SPL-A"  
RIICO Industrial Area,  
Vill. Keshwana, Teh. Kotputli,  
Distt. Jaipur (Rajasthan)  
Pin - 303 108

**SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
Noble Heights, 1<sup>st</sup> Floor, Plot NH 2,  
C-1 Block LSC, Near Savitri Market,  
Janakpuri, New Delhi-110058  
Ph. # 011- 49411000  
Fax # 011- 41410591  
Email Id.: delhi@linkintime.com

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## NOTICE

NOTICE is hereby given that the 48<sup>th</sup> Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Tuesday, September 29, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility at 10.30 a.m.(IST) to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider, and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bishwanath Pasari (DIN: 00101519), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, M/s. Radheshyam Sharma & Co Chartered Accountants (Institute of Chartered Accountants of India (ICAI) Firm Registration No.016172N), be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office for a period of five consecutive years commencing from the conclusion of this forty eighth Annual General Meeting till the conclusion of fifty third Annual General Meeting of the Company, at such remuneration and re-imbursement of out of pocket expenses, if any, in each financial year, as recommended by the Audit Committee and mutually agreed to between the Board of Directors and the Statutory Auditors of the Company".

### SPECIAL BUSINESS

4. To consider the re- appointment of Mr. Prakash Narayan Singh (DIN: 00076392) as a Non-Executive Independent Director on the Board of the Company and if thought fit, pass the following resolution as a Special Resolution, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 as amended, and subject to such other requisite approvals as may be required in this regard, Mr. Prakash Narayan Singh (DIN: 00076392), Independent Director, being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of up to 5 (Five) years with effect from March 27, 2020 to March 26, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matters connected therewith or incidental thereto."

5. To consider the re-appointment of Mr. Lal Chand Sharma (DIN: 00196158) as a Non-Executive Independent Director on the Board of the Company and if thought fit, pass the following resolution as a Special Resolution, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and subject to such other requisite approvals as may be required in this regard, Mr. Lal Chand Sharma (DIN: 00196158), Independent Director, being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of up to 5 (Five) years with effect from March 27, 2020 to March 26, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matters connected therewith or incidental thereto."

6. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2021 and, in this regard, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies



(Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand only) plus taxes at the applicable rates and reimbursement of out of pocket expenses to M/s. Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No.: 000180) who have been appointed by the Board of Directors of the Company for conducting the audit of cost records of the Company for the financial year ending March 31, 2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office:** 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi-110002  
CIN: L21012DL1972PLC279773  
Tel: 91-11-46263200 Fax: 91-11-23266708  
E-mail: info@skpmil.com  
Website: www.skpmil.com

By order of the Board of Directors

**For Shree Krishna Paper Mills & Industries Limited**

**Ritika Priyam**  
Company Secretary  
Membership No.A53502

Place: New Delhi  
Date: August 17, 2020

#### **NOTES:**

1. In view of the global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), has allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) facility without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held pursuant to MCA circulars through VC/OAVM, physical attendance of members have 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.
3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (the Act).
4. An Explanatory Statement pursuant to Section 102(1) of the Act relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. The Register of Members and Share Transfer books of the Company will remain closed from 23.09.2020 (Wednesday) to 29.09.2020 (Tuesday) (both days inclusive).
6. Brief resume of Directors seeking appointment and re-appointment as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Secretarial Standards issued by the Institute of Company Secretaries of India is annexed hereto and forms part of the notice.
7. The Annual Report of the Company is also available on the Company's website **www.skpmil.com**.
8. Members holding shares in dematerialized form are requested to intimate all particulars of bank mandates, nominations, power of attorney, change of address, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such details to the RTA.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
10. Non-Resident Indian members are requested to inform Company/RTA, regarding:
  - Change in their residential status on return to India for permanent settlement
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the Bank with pin code number, if not furnished earlier.
11. Pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the MCA read with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM and Annual Report for the year ended March 31, 2020 are being sent electronically to those Members whose email addresses are registered with the DP/RTA. Notice of the AGM along with the Explanatory Statement and the Annual Report for the year ended March 31, 2020, circulated to Members is also available on the websites of the Company i.e. **www.**



skpmil.com and on the websites of BSE Limited (Stock Exchange of India Limited) at [www.bseindia.com](http://www.bseindia.com).

12. Relevant documents, if any, referred to in the notice and in the explanatory statement are open for inspection at the registered office of the Company during the business hours on any working day (except Saturday, Sunday and Public Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting. The above may be treated as an abstract/compliance under section 190 of the Act.

13. **Members desirous of asking any question or seeking any information in the meeting are requested to write a letter to the Company Secretary at least seven days before the date of meeting to enable the management to keep the answer/information ready.**

14. Members holding shares in physical form in single name are advised to make nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013. They are requested to write to RTA of the Company in prescribed form i.e. Form No. SH -13 as per the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).

The Company's Registrar & Share Transfer Agent (RTA) is M/s Link Intime India Private Limited. The Communication address of the RTA is Noble Heights, 1st Floor, NH -2, C1- Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in). In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

15. Members are requested to: -

- a. Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;
- b. Approach the RTA for consolidation of multiple ledger folios into one; and
- c. To avoid inconvenience, get shares transferred in joint names, if they are held in a single name and/or appoint a nominee.

16. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members

using an electronic voting system will be provided by Link Intime India Private Limited.

17. Kindly note that the members can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM through VC or OAVM. Therefore, members who have cast their votes by remote e-voting prior to the AGM may attend the AGM through VC or OAVM but shall not be entitled to cast their votes again. If a member casts votes by both modes then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
18. Members desiring to exercise their vote by e-voting are requested to carefully read the enclosed instructions which inter-alia provide the process and manner for e-voting, login ID, generating password and time schedule, including the time period during which the votes may be cast, etc.
19. In order to scrutinize the e-voting process in a fair and transparent manner and to carry out the required activities the Company has appointed Shri Manish Kumar Bansal (Advocate) partner of Globiz Partners as the Scrutinizer.
20. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with their Depository Participant for members holding shares in electronics form. Members holding shares in physical form are requested to register their e-mail addresses with the Registrar & Share Transfer Agent for the purpose of receiving the Notice of AGM and Annual Report.
21. Members are requested to notify immediately any change in their address:
  - i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
  - ii) to the Company at its registered office or its Registrar & Share Transfer Agent, Link Intime India Private Limited in respect of their physical shares, if any, quoting their Folio Number.
22. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.
23. Information and other instructions relating to e-voting are given with e-voting communication. The remote e-voting facility will be available during the following voting period:
  - a. Commencement of remote e-voting: From 9.00 A.M. (IST) on 26.09.2020 .
  - b. End of remote e-voting: Up to 5:00 P.M. (IST) on 28.09.2020.
24. As shares of the Company are traded under compulsory demat, members are requested to dematerialise their shareholding to avoid any inconvenience.





## INSTRUCTIONS FOR REMOTE E-VOTING

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ▶ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

**A. User ID:** Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Event No + Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
- Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
- Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

- ▶ Click "confirm" (Your password is now generated).

**NOTE:** If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon for Shree Krishna Paper Mills & Industries Limited/Event number "200146"
5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password ?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice. During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event". Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.



**PROCESS AND MANNER FOR ATTENDING THE FORTY EIGHT ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the "Company" and 'Event Date' and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form** shall provide Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

► Click "Go to Meeting" (You are now registered for Insta Meet and your attendance is marked for the meeting).

Members can log in and join 15 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company is providing VC/OAVM facility to members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at least 3 days in advance, with the company on email id: [cs@skpmil.com](mailto:cs@skpmil.com) on or before, 5:00 P.M. (IST) on Saturday,

26.09.2020.

1. Shareholders will get confirmation on first cum first served basis depending upon the provision made by the client.
2. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
3. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
4. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through Insta Meet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for Insta Meet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through Insta Meet 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 facility during the meeting from 10:30 A.M. (IST) till the expiry of 15 minutes after the AGM is over. Shareholders/ Members who have voted through





Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through Insta Meet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case Shareholders/ Members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

#### GENERAL GUIDELINES FOR SHAREHOLDERS

- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of i.e. September 22, 2020.  
Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in)
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 3 days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. [www.skpmil.com](http://www.skpmil.com) and on the website of Link Intime India Private Limited immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE, Mumbai.

#### Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Particulars	Mr. Prakash Narayan Singh	Mr. Lal Chand Sharma	Mr. Bishwanath Pasari
DIN	00076392	00196158	00101519
Date of Birth(Age in years)	20-01-1948(72 Years)	01-01-1953(67 Years)	08-08-1930(90 Years)
Date of Appointment	01-07-2010	30-07-2002	17-12-1980
Qualification	B.Text.	Commerce Graduate	Matriculation
Experience in specific functional areas	More than 45 years of rich experience in the field of accounting, marketing, export import, finance and other allied areas.	More than 40 years of rich experience in the field of paper trading, accounts, finance and other allied areas.	Rich experience of about 67 years in trading business
Directorship held in other listed entities	NIL	NIL	NIL
Membership/ Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Member of Audit Committee, Nomination and Remuneration committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee in SKPMIL.	Audit Committee in SKPMIL	Member of Audit Committee of Bishwanath Traders and Investments Limited
Number of shares held in the Company	NIL	NIL	200
Terms and Condition of appointment/re-appointment	As Per policy of Director, KMP and Senior Management( weblink mentioned in Board Report)	As Per policy of Director, KMP and Senior Management ( weblink mentioned in Board Report)	As Per policy of Director, KMP and Senior Management ( weblink mentioned in Board Report)
Relationship with any Director(s)/ KMP of the Company	NIL	NIL	He is father of Mr. Narendra Kumar Pasari, Managing Director of the Company
Number of Board Meeting attended during the year	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report

#### EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

##### Item No. 3

M/s. Radheshyam Sharma & Co, Chartered Accountants (ICAI Firm Registration No: 016172N) were appointed as Statutory Auditors of the Company by the Members at the 43rd Annual General Meeting(AGM) held on 29.09.2015 to hold office as Statutory Auditors from the conclusion of AGM held in the year 2015 till the conclusion of 48<sup>th</sup> AGM of the Company to be held in the year 2020. Accordingly, their present term gets completed on conclusion of this AGM in terms of the said approval and Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), in their meeting held on August 17, 2020 on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of M/s. Radheshyam Sharma & Co, Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of 48<sup>th</sup> AGM till the conclusion of the 53<sup>rd</sup> AGM. M/s. Radheshyam Sharma & Co, Chartered Accountants, Statutory Auditors have conducted the statutory audit of the Company from FY 2015-16 to FY 2019-20



and their performance was found to be satisfactory. Before recommending their re-appointment, the Committee considered various parameters like capability to serve a diverse and complex business landscape with expertise in respect of paper industry as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found them suitable to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Board has fixed the Remuneration for statutory audit ₹ 90,000 plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the statutory audit of the Company. The Board may revise the fee payable to the Statutory Auditors, as per the recommendation of the Audit Committee, as may be mutually agreed with the Statutory Auditors of the Company. The fees for services in the nature of limited review, statutory certification and other professional work etc. will be in addition to the audit fee as above. M/s. Radheshyam Sharma & Co, Chartered Accountants is a Firm Registered with the ICAI, with Firm Registration No. 016172N. M/s. Radheshyam Sharma & Co, have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under the Act.

#### **Item No.4**

Mr. Prakash Narayan Singh (DIN: 00076392), was appointed as an Independent Director on the Board of the Company for a period of five years with effect from March 27, 2015.

Considering the fact that his first term expired on March 26, 2020 and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 13, 2020 approved (subject to the approval of members by a special resolution) his appointment for second term for a period of upto 5 (Five) years with effect from March 27, 2020. Detailed process of performance evaluation of Independent Directors is included in the Corporate Governance Report of the Annual Report.

Mr. Prakash Narayan Singh (DIN: 00076392), is proposed to be re-appointed as an Independent Director for a second term of upto 5 (Five) years with effect from March 27, 2020. In terms of Section 149 of the Act, an Independent Director is eligible for reappointment for a second term on passing of a Special Resolution.

The Company has also received a declaration from Mr. Prakash Narayan Singh (DIN: 00076392), that he meets the

criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014. He has further affirmed that he is not debarred from holding the office of an Independent Director by virtue of any SEBI order or any other such Authority. In the opinion of the Board, Mr. Prakash Narayan Singh (DIN: 00076392), fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Mr. Prakash Narayan Singh (DIN: 00076392), is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Details of his attendance in various Board Meetings held during the Financial Year 2019-20 are included in the Corporate Governance Report of the Annual Report.

None of the Directors/Key Managerial Personnel or their relatives except Mr. Prakash Narayan Singh (DIN: 00076392), is concerned or interested financially or otherwise in the said Resolution.

The Board of the Company recommends the resolution set out at Item No. 4 for the approval of the members as a Special Resolution.

#### **Item No.5**

Mr. Lal Chand Sharma (DIN: 00196158), was appointed as an Independent Director on the Board of the Company for a period of five years with effect from March 27, 2015.

Considering the fact that his first term expired on March 26, 2020 and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 13, 2020 approved (subject to the approval of members by a special resolution) his appointment for second term for a period of upto 5 (Five) years with effect from March 27, 2020. Detailed process of performance evaluation of Independent Directors is included in the Corporate Governance Report of the Annual Report.

Mr. Lal Chand Sharma (DIN: 00196158), is proposed to be re-appointed as an Independent Director for a second term of upto 5 (Five) years with effect from March 27, 2020. In terms of Section 149 of the Act, an Independent Director is eligible for reappointment for a second term on passing of a Special Resolution.

The Company has also received a declaration from Mr. Lal



Chand Sharma (DIN: 00196158), that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014. He has further affirmed that he is not debarred from holding the office of an Independent Director by virtue of any SEBI order or any other such Authority. In the opinion of the Board, Mr. Lal Chand Sharma (DIN: 00196158), fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Mr. Lal Chand Sharma (DIN: 00196158), is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Details of his attendance in various Board Meetings held during the Financial Year 2019-20 are included in the Corporate Governance Report of the Annual Report.

None of the Directors/Key Managerial Personnel or their relatives except Mr. Lal Chand Sharma (DIN: 00196158), is concerned or interested financially or otherwise is in the said Resolution.

The Board of the Company recommends the resolution set out at Item No. 5 for the approval of the members as a Special Resolution.

#### **Item No. 6**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No.: 000180) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, at a remuneration of Rs.75,000/- per annum plus taxes at the applicable rates and reimbursement of out of pocket expenses in connection with the audit, subject to ratification by members.

In terms of the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors during the year 2020-21 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel or their relatives are interested in this resolution.

The Board recommends the resolution as an Ordinary Resolution for approval of the members.

**Registered Office:**

4830/24, Prahlad Street,  
Ansari Road, Darya Ganj,  
New Delhi-110002

CIN: L21012DL1972PLC279773

Tel: 91-11-46263200 Fax: 91-11-23266708

E-mail: info@skpmil.com

Website: www.skpmil.com

Place: New Delhi

Date: August 17, 2020

By order of the Board of Directors

For Shree Krishna Paper Mills & Industries Limited

**Ritika Priyam**

Company Secretary

Membership No.A53502

**DIRECTORS' REPORT**

To the Members,

The Directors of your Company are pleased to present the 48<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended on March 31, 2020.

**FINANCIAL PERFORMANCE**

The financial performance of the Company for the financial year ended on March 31, 2020 is summarised below:

(₹ in Lakhs)

	2019-2020	2018-2019
Revenue from Operations (Net)	10,127.58	14,261.24
Profit/(Loss) before exceptional items and tax	(1,438.64)	597.06
Exceptional items	668.63	-
Profit / (Loss) before tax	(770.01)	597.06
Less: Tax expense	(233.41)	146.84
Profit / (Loss) for the year	(536.60)	450.22
Other Comprehensive Income	(55.74)	44.45
Total Comprehensive Income	(592.34)	494.67

During the year under review, the revenue from operations was ₹ 10,127.58 lakhs against ₹ 14,261.24 lakhs in the last financial year. The Company has incurred a loss of ₹ 770.01 lakhs against a profit of ₹ 597.06 lakhs in the last year. The performance of the Company has been affected mainly due to adverse market conditions resulting into lower sales volumes and reduction in sales price of major finished product i.e. newsprint paper. The outbreak of Covid-19 pandemic has also affected the business operations of the Company. The Directors expect to recover from the situation at the earliest and are hopeful for better performance during the current year.

**DIVIDEND**

The Directors have decided not to recommend any dividend due to losses incurred by the Company during the year under review.

**SHARE CAPITAL**

The paid-up Equity Share Capital as on March 31, 2020 was ₹ 1,352.17 lakhs. During the year under review, the Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme.

**LISTING ON STOCK EXCHANGES**

The Equity Shares of the Company are listed on Bombay Stock Exchange. The Company's delisting application with Calcutta Stock Exchange is pending since long.

**IMPACT OF COVID-19 PANDEMIC**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite

periods of time. COVID-19 is significantly impacting business operations of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. Due to the spread of COVID-19 and in accordance with the various initiatives and directions of both Central and State Government(s) from time to time including Janata curfew and subsequent nationwide lock down, the operations of the Company were suspended. After the end of lockdown, the Company gradually started its business operations with minimum workforce combined with work from home policy. The Company is closely monitoring the situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities. At this point of time, it is not possible either to foresee the duration for which this pandemic will last, nor predict its course. Hence, the Company is not in a position to assess with certainty the future impact on operations.

**PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any public deposit within the meaning of Chapter V of the Companies Act, 2013 (the 'Act') and rules made there under.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2020 in form MGT-9 is enclosed as 'Annexure-A' to this report and is also available on the Company's website [www.skpmil.com](http://www.skpmil.com/pagepdf/1565263276.pdf) at the link: <http://www.skpmil.com/pagepdf/1565263276.pdf>

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr. Prakash Narayan Singh (DIN: 00076392) and Mr. Lal Chand Sharma (DIN: 00196158) were re-appointed as





Independent Directors of the Company for another (second) term of five consecutive years, not liable to retire by rotation at its Board meeting held on February 13, 2020 on the basis of the recommendation of the Nomination and Remuneration Committee subject to the approval of Shareholders in the ensuing Annual General Meeting (AGM). The period of five years start w.e.f. March 27, 2020 and will end on March 26, 2025.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bishwanath Pasari (DIN: 00101519) will retire by rotation at the 48<sup>th</sup> Annual General Meeting and being eligible, has offered himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board /Committee of the Company.

During the year under review and pursuant to the provisions of Section 203 of the Companies Act, 2013 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Key Managerial Personnel of the Company as on March 31, 2020 are: Mr. Narendra Kumar Pasari (DIN: 00101426) Managing Director, Mr. Sanjiv Kumar Agarwal, Chief Financial Officer and Ms. Ritika Priyam who was appointed as Company Secretary & Compliance Officer w.e.f. December 5, 2019, by the Board of Directors of the Company at their meeting held on December 5, 2019 consequent to the resignation tendered by Mrs. Sonam Katyal.

The information on the particulars of Director eligible for appointment in terms of Regulation 36 (3) of SEBI (LODR) Regulations has been provided in the notes to the notice convening the Annual General Meeting.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149 (6) of the Act along with Rules framed thereunder and Regulation 16 (1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

#### **BOARD EVALUATION**

To comply with the provisions of Section 134 (3)(p) of the Act and the rules made thereunder and Regulation 17 (10) of SEBI (LODR) Regulations, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria

such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The manner in which the annual performance evaluation has been carried out is explained in the Corporate Governance Report. Board is responsible to monitor and review Directors' Evaluation framework.

Further, to comply with Regulation 25 (4) of SEBI (LODR) Regulations, the performance of non-independent directors and the Board as a whole was evaluated by the Independent Directors in their separate meeting.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Matching the needs of Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for the appointment to the Board.

The Nomination and Remuneration policy of the Company on Directors' appointment, including criteria for determining qualification, positive attributes, independence of a Director and other matters are available on the Company's website at the link: <http://www.skpmil.com/pagepdf/1565260000.pdf>

#### **NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES**

The number of meetings of the Board and Committees held during the year under review are as under:

- Eleven meetings of the Board of Directors were held during the year.
- Five meetings of the Audit Committee were held during the year.
- Five meetings of the Nomination and Remuneration Committee were held during the year.
- Four meetings of the Stakeholder Relationship Committee were held during the year.
- Four meetings of the Corporate Social Responsibility Committee were held during the year.

The provisions of the Act and SEBI (LODR) Regulations were adhered to while considering the time gap between two meetings.

#### **COMPOSITION OF AUDIT COMMITTEE**

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report. There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.



## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company recognizes the vital role played by society at large in its growth and development and strives to discharge its social responsibility as a corporate citizen. Our CSR projects focus on participatory and collaborative approach with the community.

The Corporate Social Responsibility Policy as approved by the Board may be accessed on the Company's website at the link: <http://www.skpmil.com/pagepdf/1502951707.pdf>

Annual report on CSR activities for the financial year 2019-20 as required under Section 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is attached with this report as 'Annexure -B'.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departure from the same.
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the loss of the Company for the year;
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Annual Accounts are prepared on a going concern basis;
- v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these systems are adequate and operating effectively.

## **SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES**

Your Company does not have any subsidiary/joint venture/associate company within the meaning of the Act.

## **CORPORATE DEBT RESTRUCTURING**

The debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism w.e.f. April 1, 2009.

## **RISK MANAGEMENT**

The Company has in place a Risk Management framework

which defines roles and responsibility at different levels. The Risk Management Committee reviews at regular intervals, the overall risks at Company level and ensures that it has a robust monitoring mechanism alongwith adequate mitigation plans. The emerging risks are discussed periodically with the concerned operational and business teams which includes review of the mitigation plans.

## **INTERNAL FINANCIAL CONTROLS**

The Board has laid down policies and processes in respect of internal financial controls and such internal financial controls were adequate and were operating effectively. The internal financial controls covered the policies and procedures adopted by your Company for ensuring orderly and efficient conduct of business including adherence to your Company's policies, safeguarding of the assets of your Company, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

## **CODE FOR PREVENTION OF INSIDER TRADING**

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at the link: <http://www.skpmil.com/pagepdf/1561543454.pdf>

## **CURRENT OUTLOOK**

India's share in the demand of paper across the globe is growing as the domestic demand is increasing at a steady pace. The factors driving the success of the pulp and paper industry are the demand for hygiene products like paper towels, toilet paper and disposable makeup wipes etc. The center of the paper industry is also shifting towards more eco-friendly goods and technology. Overall, the pulp and paper industry are projected to remain healthy. In spite of ample room for growth, it will have effect of ongoing Coronavirus pandemic which can not be accurately predicted at this time.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached with this report as 'Annexure-C'.



**AUDITORS AND AUDITORS' REPORT****Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, the current auditors of the Company, M/s. Radheshyam Sharma & Co., Chartered Accountants (Firm Registration No. 016172N) were appointed for a term of five consecutive years by the shareholders at the 43rd Annual General Meeting and they hold office until the conclusion of the 48<sup>th</sup> Annual General Meeting. The mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted pursuant to the notification issued by the Ministry of Corporate Affairs on May 7, 2018.

The terms of appointment of the Statutory Auditors expires at the conclusion of this Annual General Meeting. The members are now requested to appoint M/s. Radheshyam Sharma & Co., Chartered Accountants (Firm Registration No. 016172N) as Statutory Auditors of the Company for a further term of 5 (Five) years to hold office from the conclusion of this meeting until the conclusion of the 53<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2025.

The Auditors' Report on Financial Statements of the Company for the Financial Year 2019-2020 does not contain any qualification, reservation or adverse remark.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review. The observations of Statutory Auditors and Notes to the Financial Statements are self-explanatory and do not call for any further comments.

**Cost Auditors**

Pursuant to the provisions of Section 148 and all other applicable provisions of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board has, on the recommendation of Audit Committee, approved the appointment of M/s Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No. 00180) to carry out the cost audit of Company's records for the financial year 2020-21, at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus taxes at the applicable rates and reimbursement of out of pocket expenses in connection with the aforesaid audit. The remuneration proposed to be paid to them requires ratification by the members of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

The Cost Audit Report for the financial year ended on March 31, 2019 has been filed under XBRL mode within the stipulated time period.

**Secretarial Auditors**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s. BLAK & Co., Practising Company Secretaries, New Delhi (COP: 11714) to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Audit Report (in Form MR-3) is attached as 'Annexure-D', to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**Internal Auditors**

The Board of Directors has appointed M/s GAMS & Associates LLP, Chartered Accountants, as Internal Auditors of the Company to carry out internal audit of the Company. The Audit Committee periodically reviews the Internal Audit report.

**PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES UNDER SECTION 186 OF THE ACT**

During the year, the Company has not granted any loans or given guarantees/securities or made investments under section 186 of the Act. The earlier investments made by the Company are provided in the notes to the financial statements in this Annual Report.

**RELATED PARTY TRANSACTIONS**

All the contracts or arrangements or transactions entered into during the year by the Company with the Related Parties were in the ordinary course of business and on arm's length basis. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. A statement giving details of all RPTs is placed before the Audit Committee for review on a quarterly basis.

There are no materially significant related party transactions entered into by the Company which may have a potential conflict with the interest of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 55 of the Financial Statements, forming part of the Annual Report.

The Board of Directors has adopted a policy on Related Party Transactions which has been uploaded on website of the Company: [www.skpmil.com](http://www.skpmil.com)

Since all transactions which were entered into during the financial year 2019-20 were on arm's length basis and in the ordinary course of business and there was no material related party transaction, no detail is required to be provided in Form AOC-2 prescribed under Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

As stipulated by Section 177 of the Act and Regulation 22 of the Listing Regulations, the Company has in place a Whistle Blower Policy, which provides a formal mechanism for all the employees and Directors of the Company to report about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct, leak of unpublished price sensitive information etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. The policy is available on the Company's website at the link: <http://www.skpmil.com/pagepdf/1565259913.pdf> link.

**CORPORATE GOVERNANCE**

Your Directors reaffirm their continued commitment to adhere to the highest standards of the Corporate Governance. As per Regulation 34 and Schedule V to the SEBI (LODR) Regulations, a separate section on Management Discussion and Analysis and Corporate Governance together with a certificate from the auditors of the Company forms part of this Annual Report.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. An Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. During the year under review, no complaint relating to sexual harassment has been received.

**MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is annexed as 'Annexure-E' to this Report.

**OTHER DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. No amount has been or is proposed to be transferred to any reserves of the Company.
2. No significant or material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

3. There were no special resolution passed pursuant to the provisions of Section 67(3) of the Act and hence no information as required pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
4. No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.
5. Company is in regular compliance with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year and applicable provision of Secretarial Standards issued by the Institute of Companies Secretaries of India.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere thanks for the co-operation and valuable support received from the Government, statutory authorities and the bankers. The Board also convey its gratitude and place on record its appreciation for the support and co-operation of the Company's employees, customers, suppliers and shareholders, who have reposed their continued trust and confidence in the Company.

For and on behalf of the Board of Directors of  
**Shree Krishna Paper Mills & Industries Limited**

**Rakhi Verma**  
Director  
DIN: 07995132

**Narendra Kumar Pasari**  
Managing Director  
DIN: 00101426

Place: New Delhi  
Date: August 17, 2020

**ANNEXURE 'A'**

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS**

(i)	CIN	L21012DL1972PLC279773
(ii)	Registration Date	14-09-1972
(iii)	Name of the Company	Shree Krishna Paper Mills & Industries Limited
(iv)	Category/Sub-category of the Company	Company Limited by Shares
(v)	Address of the Registered Office and contact details	4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110002 Phone: 91-11-46263200, 23261728 Fax: 91-11-23266708 E-mail: cs@skpmil.com, info@skpmil.com Website: www.skpmil.com
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of the Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd. Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market Janakpuri, New Delhi - 110058 Ph: 011- 49411000 Fax: 011- 41410591 Email: delhi@linkintime.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company:

Sl. No.	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Newsprint Paper	17012	52.39
2	Coloured Kraft Paper	17015	23.76
3	Writing and Printing Ppaer	17093	17.53

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
None					

**IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	200	9,70,000	9,70,200	7.17	200	9,70,000	9,70,200	7.17	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	-	47,40,480	47,40,480	35.06	-	47,40,480	47,40,480	35.06	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):</b>	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	-
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	200	57,10,480	57,10,680	42.23	200	57,10,480	57,10,680	42.23	-
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									
a) Bodies corp.									
i) Indian	24,37,742	14,00,800	38,38,542	28.39	24,42,520	14,00,800	38,43,320	28.42	0.03
ii) Overseas	-	12,00,000	12,00,000	8.88	-	12,00,000	12,00,000	8.88	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2,70,953	1,72,663	4,43,616	3.28	2,74,988	1,64,847	4,39,835	3.25	(0.03)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,78,982	-	2,78,982	2.06	2,78,982	-	2,78,982	2.06	-
c) Others									
i) Clearing Member	795	-	795	0.01	200	-	200	0.01	-
ii) HUF	48,762	-	48,762	0.36	48,360	-	48,360	0.36	-
iii) Non-Resident Indian	303	20,00,000	20,00,303	14.79	303	20,00,000	20,00,303	14.79	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (B)(2):</b>	30,37,537	47,73,463	78,11,000	57.77	30,45,353	47,65,647	78,11,000	57.77	-
<b>"Total Public Shareholding (B)= (B)(1)+(B)(2)"</b>	30,37,537	47,73,463	78,11,000	57.77	30,45,353	47,65,647	78,11,000	57.77	-
<b>C. Shares held by Custodian</b>	-	-	-	-	-	-	-	-	-
<b>for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	30,37,737	1,04,83,943	1,35,21,680	100.00	30,45,553	1,04,76,127	1,35,21,680	100.00	-

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company"	% of shares pledged/encumbered to total shares	
1	Bishwanath Industries Limited	20,47,300	15.14	15.14	20,47,300	15.14	15.14	-
2	Bishwanath Traders & Investments Limited	16,71,080	12.36	8.25	16,71,080	12.36	8.25	-
3	Birender Kumar Pasari	9,10,000	6.73	6.73	9,10,000	6.73	6.73	-
4	Bijay Paper Traders Limited	7,47,100	5.53	5.53	7,47,100	5.53	5.53	-
5	Devanshu Infin Limited	2,75,000	2.03	-	2,75,000	2.03	-	-
6	Pradeep Kumar Pasari	60,000	0.44	-	60,000	0.44	-	-
7	Bishwanath Pasari	200	0.00	-	200	0.00	-	-
	<b>Total</b>	<b>57,10,680</b>	<b>42.23</b>	<b>35.65</b>	<b>57,10,680</b>	<b>42.23</b>	<b>35.65</b>	<b>-</b>

iii) Change in Promoters' Shareholding (Specify if there is no change):

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	No change during the year			
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	No change during the year			
At the end of the year	No change during the year			

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vijay Kumar Gupta	20,00,000	14.79	20,00,000	14.79
	at the beginning of the year				
	Increase/Decrease during the year	-	-	20,00,000	14.79
	at the end of the year			20,00,000	14.79



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Govinda Power & Products Pvt Ltd at the beginning of the year Increase/Decrease during the year at the end of the year	14,00,000 - -	10.35 - -	14,00,000 14,00,000 14,00,000	10.35 10.35 10.35
3	WPS PTE Ltd at the beginning of the year Increase/Decrease during the year at the end of the year	12,00,000 - -	8.88 - -	12,00,000 12,00,000 12,00,000	8.88 8.88 8.88
4	SKCS Finvest Pvt Ltd at the beginning of the year Increase/Decrease during the year at the end of the year	10,14,850 - -	7.51 - -	10,14,850 10,14,850 10,14,850	7.51 7.51 7.51
5	Gopala Sales Pvt Ltd at the beginning of the year Increase/Decrease during the year at the end of the year	7,50,000 - -	5.55 - -	7,50,000 7,50,000 7,50,000	5.55 5.55 5.55
6	Global Manufacturers & Products Pvt Ltd at the beginning of the year Increase/Decrease during the year at the end of the year	6,60,000 - -	4.88 - -	6,60,000 6,60,000 6,60,000	4.88 4.88 4.88
7	Vardhman Arvind Sancheti at the beginning of the year Increase/Decrease during the year at the end of the year	83,028 - -	0.61 - -	83,028 83,028 83,028	0.61 0.61 0.61
8	Arvind Kumar Sancheti at the beginning of the year Increase/Decrease during the year at the end of the year	62,544 - -	0.46 - -	62,544 62,544 62,544	0.46 0.46 0.46
9	Pushpa Lata Gupta at the beginning of the year Increase/Decrease during the year at the end of the year	36,400 - -	0.27 - -	36,400 36,400 36,400	0.27 0.27 0.27
10	Sangeetha S at the beginning of the year Increase/Decrease during the year at the end of the year	33,250 - -	0.25 - -	33,250 33,250 33,250	0.25 0.25 0.25

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. Bishwanath Pasari - Non-Executive Director				
	At the beginning of the year	200	-	200	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	200	-	200	-



**V. INDEBTEDNESS**

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,835.67	321.70	-	2,157.37
ii) Interest due but not paid	162.53	-	-	162.53
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,998.20</b>	<b>321.70</b>	<b>-</b>	<b>2,319.90</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	8.11	36.67	-	44.78
Reduction	137.32	2.16	-	139.48
<b>Net Change</b>	<b>(129.21)</b>	<b>34.51</b>	<b>-</b>	<b>(94.70)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,701.37	356.21	-	2,057.58
ii) Interest due but not paid	167.62	-	-	167.62
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,868.99</b>	<b>356.21</b>	<b>-</b>	<b>2,225.20</b>

**Notes:****Secured Loans consist of:**

- 1 Vehicle Loan which is shown under Non-Current Financial Liabilities - Borrowings in the Balance Sheet.
- 2 Cash Credit Facilities from Banks which is shown under Current Financial Liabilities - Borrowings in the Balance Sheet.
- 3 Current maturities of long term debts (Vehicle Loan) which is shown under Current Financial Liabilities - Others in the Balance Sheet.
- 4 Interest accrued which is shown under Current Financial Liabilities - Others in the Balance Sheet.

**Unsecured Loans consist of:**

- 1 Loans from related parties which is shown under Non-Current Financial Liabilities - Borrowings in the Balance Sheet.
- 2 Current maturities of long term debts which is shown under Current Financial Liabilities - Others in the Balance Sheet.

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of the Managing Director	Total Amount
		Mr. Narendra Kumar Pasari	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	17.63	17.63
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.39	0.39
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	as % of profit	-	-
	Others (specify)	-	-
	Others - P.F. Contribution	1.35	1.35
	<b>Total (A)</b>	<b>19.37</b>	<b>19.37</b>
	<b>Ceiling as per the Act</b>		<b>84.00</b>



**B. Remuneration to other directors**

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Mr. Prakash Narayan Singh	Mr. Lal Chand Sharma	Mr. Rajesh Mujoo	
	(a) Fee for attending board/committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non Executive Directors		Mr. Bishwanath Pasari	Mrs. Rakhi Verma	
	(a) Fee for attending board/committee meetings		-	-	-
	(b) Commission		-	-	-
	(c) Others, please specify		-	-	-
	Total (2)		-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB**

(₹ in Lakhs)

Sl.No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Company Secretary		CFO	
		Mrs. Sonam Katyal*	Ms. Ritika Priyam*	Mr. Sanjiv Kumar Agarwal	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3.38	1.08	12.57	17.03
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others - P.F. Contribution	0.15	0.07	0.92	1.14
	Total	3.53	1.15	13.49	18.17

\*employed only for part of the year

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
<b>A. Company</b> Penalty Punishment Compounding			None		
<b>B. Directors</b> Penalty Punishment Compounding			None		
<b>C. Other Officers in Default</b> Penalty Punishment Compounding			None		

For and on behalf of the Board of Directors of  
**Shree Krishna Paper Mills & Industries Limited**

Place: New Delhi  
Date: August 17, 2020

**Rakhi Verma**  
Director  
DIN: 07995132

**Narendra Kumar Pasari**  
Managing Director  
DIN: 00101426



## ANNEXURE 'B'

## ANNUAL REPORT ON CSR ACTIVITIES

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs:

CSR policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community. CSR programs or projects to be undertaken by the Company in terms of the Policy, shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, as amended from time to time. The CSR policy, formulated by the Corporate Social Responsibility Committee and approved by the Board, continues unchanged.

The CSR Policy of the Company is available on the Company's website on the weblink: <http://www.skpmil.com/pagepdf/1502951707.pdf>

2. The Composition of the CSR Committee:

Name of the member	Designation
Mr. Rajesh Mujoo	Chairman
Mr. Prakash Narayan Singh	Member
Mrs. Rakhi Verma	Member

3. Average net profit of the Company for last three financial years: ₹ 881.47 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 17.63 Lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year; ₹17.63 Lakhs

(b) Amount unspent, if any; NIL

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

(1) S. No.	(2) CSR project/ activity	(3) Sector in which the Project is covered	(4) State and district where projects or program was undertaken	(5) Amount outlay (budget)	(6) Amount spent	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1.	Construction/ Improvement of School	Promoting Education	Delhi	20.00	20.00	20.00	Florence Nightingale Educational Society
	TOTAL			20.00	20.00	20.00	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report:

Not Applicable as the Company has spent the two percent of the average net profit of the last three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

We hereby declare that the implementation and monitoring of CSR Policy are in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors of  
Shree Krishna Paper Mills & Industries Limited

Narendra Kumar Pasari  
Managing Director  
DIN: 00101426

Rajesh Mujoo  
Chairman, CSR Committee  
DIN: 07751945

Place: New Delhi  
Date: August 17, 2020

**ANNEXURE 'C'****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided hereunder:

**(A) CONSERVATION OF ENERGY**

- (i) The steps taken or impact on conservation of energy;
  1. New Hydraulic head box installed to increase machine speed and improvement in the quality and quantity of finish paper.
  2. Increased the length of Wire Table.
  3. Replacement of higher capacity Pressure Screen for better fiber fibrillation & improvement in quality and quantity of paper.
  4. Installation of RMU unit to save electricity.
  5. Advance technology vacuum pumps have been installed for power saving as well as better performance.
- (ii) The steps taken by the company for utilising alternate sources of energy;  
NIL
- (iii) The capital investment on energy conservation equipment;  
Capital investment of ₹ 67.79 Lakhs

**(B) TECHNOLOGY ABSORPTION**

- (i) The efforts made towards technology absorption;
  1. Redesigning and installation of pulp mill screen to increase pulp mill capacity.
  2. Replacement of paper machine's old model VFD's by new technology VFD's to getting better performance, control breakdowns and save energy.
  3. Replacement of DC VFD's by AC new technology VFD in Coating plant.
  4. A film press is being designed to improve the quantity of production.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;  
Quantity and quality enhancement along with cost reduction are the few benefits which have been derived as a result of above efforts.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof;

Not applicable as no technology imported during the last three years.

- (iv) The expenditure incurred on Research and Development;

Research & Development work is carried out in house as well as with the help of external sources on continuous basis. The expenses incurred on this are booked under general accounting head.

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO**

Earnings	: ₹ 11.65 Lakhs
Outgo	: ₹ 1,893.70 Lakhs

For and on behalf of the Board of Directors of  
**Shree Krishna Paper Mills & Industries Limited**

**Rakhi Verma**  
Director  
DIN: 07995132

**Narendra Kumar Pasari**  
Managing Director  
DIN: 00101426

Place: New Delhi  
Date: August 17, 2020



## ANNEXURE 'D'

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

To,  
The Members,  
**SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD.**  
4830/24, Prahlad Street,  
Ansari Road, Darya Ganj,  
New Delhi-110002

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHREE KRISHNA PAPER MILLS & INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of applicable following laws:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations; **(Not applicable to the Company during the Audit Period)**
- (vi) The other laws as may be applicable specifically in case of the Company on the basis of documents/information produced before us:
  - a) Goods & Service Tax Act, 2017
  - b) Custom Act, 1962
  - c) Income Tax Act, 1961 and Indirect Tax Laws
  - d) Indian Contract Act, 1872
  - e) Indian Stamp Act, 1999
  - f) Limitation Act, 1963
  - g) Negotiable Instrument Act, 1981
  - h) Registration Act, 1908
  - i) Sale of Goods Act, 1930
  - j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - k) Transfer of Property Act, 1882
  - l) Weekly Holidays Act, 1942
  - m) Legal Metrology Act, 2009,
  - n) Labour laws as applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with Bombay Stock Exchange (BSE) and National Stock





Exchange (NSE) read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

\*The Company's delisting application with Calcutta Stock Exchange is in process since long.

We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors for the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimously recorded.

Based upon compliance mechanism established by the Company and on the basis of compliance certificate issued by Company secretary of the Company we further report that; There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For BLAK & CO.**  
Company Secretaries

**(Archana Bansal)**

Mg. Partner

M.No. – A17865

COP No.- 11714

UDIN: A017865B000396474

Place: New Delhi

Date : 29/06/2020

**Note:** This report is to be read with our **ANNEXURE 'I'** of even date which are annexed and forms an integral part of this report.

## **ANNEXURE 'I'**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For BLAK & CO.**  
Company Secretaries

**(Archana Bansal)**

Mg. Partner

M.No. – A17865

COP No.- 11714

UDIN: A017865B000396474

Place: New Delhi

Date : 29/06/2020

**ANNEXURE 'E (I)'**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20;

S. No.	Name of Director and Designation	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Narendra Kumar Pasari, Managing Director	9.65 : 1.00

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2019-20;

S. No.	Name of Director/ KMP	Designation	Percentage increase in Remuneration of Directors/KMP
1	Mr. Narendra Kumar Pasari	Managing Director	20.43
2	Mr. Sanjiv Kumar Agarwal	Chief Financial Officer	3.54
3	Mrs. Sonam Katyay / Ms Ritika Priyam	Company Secretary	-2.37

- (iii) The percentage increase in the median remuneration of employees in the financial year 2019-20;

1.78

- (iv) The number of permanent employees on the rolls of company;

280 as on March 31, 2020

- (v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was -0.78 % whereas the managerial remuneration was increased by 20.43 % for the same financial year. The managerial remuneration was increased w.e.f. January 01, 2020 due to increase in cost of living and peer group comparison while salaries of other employees are lower because few higher salary employees have left and lower salary employees were appointed.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.

It is affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

**ANNEXURE 'E (II)'**

Statement showing the names and other particulars of the top ten employees in terms of remuneration drawn during the financial year 2019-20 as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (designation wise)

S. No.	Name and age	Designation	Remuneration (in Lakhs)	Qualification and Experience	Date of commencement of employment	Last employment held
1	Narendra Kumar Pasari (64 Years)	Managing Director	19.37	B. Com, 46 Years	11-03-1974	-
2	Dev Kishan Chanda (71 Years)	President	15.46	B. Com, 51 Years	01-04-1980	Rallis India Limited
3	Ashok Kumar Sharma (70 Years)	Sr. Vice President (L & CA)	15.38	B.Sc., LL.B., 48 Years	05-04-2000	Jindal Photofilms Ltd.
4	Sanjiv Kumar Agarwal (52 Years)	Chief Financial Officer	13.49	B. Com, FCA, 28 Years	03-05-1993	Mehra Goel & Co.
5	Satish Paliwal (51 Years)	Vice President (Plant)	11.43	Diploma in Paper & Pulp, 30 Years	08-11-2005	ABC Paper Mills Limited
6	Ram Avtar Goel (63 Years)	General Manager (Purchase)	8.54	B. Sc., 39 Years	28-12-2005	Modi Alkalies & Chemical Limited
7	Man Singh (62 Years)	Sr. Manager (Sales)	8.51	Matriculation, 42 Years	01-08-1981	Bishwanath Industries Limited
8	Harish Chander (56 Years)	Sr. Manager (Commercial)	7.71	B. Com, 36 Years	01-09-1984	-
9	Dharambir Singh (51 Years)	Sr. Manager (Mechanical)	7.45	Diploma in Mechanical Engineering, 31 Years	13-01-2010	Rama News Print Limited
10	Khirod Kumar Jena (57 Years)	Sr. Manager (Cutter & Rewinder)	6.80	Intermediate, 40 Years	05-03-2010	Mainsh Paper & Board Mills Ltd

For and on behalf of the Board of Directors of  
Shree Krishna Paper Mills & Industries Limited

Place: New Delhi  
Date: August 17, 2020

Rakhi Verma  
Director  
DIN: 07995132

Narendra Kumar Pasari  
Managing Director  
DIN: 00101426



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Pulp and Paper industry is one of the largest industries in the World. The Indian paper industry accounts for about 4% of the World's production of paper. The industry provides direct employment to about 500000 persons and indirectly to around 1.5 million. The Indian paper and paper product market has been segmented into raw material, application and region. Based on raw material, the market has been categorized into waste & recycled paper, wood and agro residue. Based on the application, the market has been bifurcated into writing & printing paper, paper board & packaging, newsprint and specialty paper. The paper and paper product market in India has been segmented into four regions i.e. North, South, East & West and western region is the lead consumer of paper and paper products across the Country.

### OPPORTUNITIES AND THREATS

The paper industry is one of the key industrial sectors contributing to the economy of the Country. India's paper industry is one of the old and core industrial manufacturing sector with a bearing on socio-economic development. In India, this industry plays a vital role in the overall industrial growth and also provides necessary medium to propel our knowledge based economy forward in the new millennium. Continuous demand for education and literacy, growth in e-commerce, increasing organized retail, demand of quality packaging, ban on plastic and incremental demand of eco-friendly bags etc. are the main factors for growth of paper industry in India.

Growth of paper industry in India has been constrained due to threats from cheaper imports, high cost of production caused by high cost of raw materials and high energy cost. Pricing pressure is also having negative impact on the growth of the industry.

### OUTLOOK

India's share in the demand of paper across the globe is growing as the domestic demand is increasing at a steady pace. The factors driving the success of the pulp and paper industry are the demand for hygiene products like paper towels, toilet paper and disposable makeup wipes etc. The center of the paper industry is also shifting towards more eco-friendly goods and technology. Overall, the pulp and paper industry are projected to remain healthy. In spite of ample room for growth, it will have effect of ongoing Coronavirus pandemic which can not be accurately predicted at this time.

### RISKS & CONCERNS

Current outbreak of Coronavirus (COVID-19) continues to create Worldwide concerns. Around the World, markets have been extremely volatile leaving uncertainties about the ability of companies to sustain through this period. Our Company's operations have also been affected adversely due to this pandemic resulting into negative impact on demand and growth. The Company is closely monitoring the situation arising out of COVID-19. The Company has in place a risk management framework that helps in anticipating, identifying and evaluating business risks and challenges and finding ways to mitigate them.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains a robust framework of internal control system commensurate with the size, scale and complexity of its operation. The internal controls are designed to provide reasonable assurance on recording of transactions and provide reliable financial and operational information. The Company has proper policies, procedures and authorization guidelines commensurate with the level of responsibility, besides standard operating procedures. These internal controls are regularly reviewed by independent internal auditors of the Company and the internal audit reports are periodically reviewed by the Audit Committee. The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company.

### FINANCIAL PERFORMANCE

During the year under review, the revenue from operations was ₹ 10,127.58 lakhs against ₹ 14,261.24 lakhs in the last financial year. The Company has incurred a loss of ₹ 770.01 lakhs against profit of ₹ 597.06 lakhs in the last year. The performance of the Company has been affected mainly due to adverse market conditions resulting into lower sales volumes and reduction in sales price of major finished product i.e. newsprint paper. The outbreak of Covid-19 pandemic has also affected the business operations of the Company. The Directors expect to recover from the situation at the earliest and are hopeful for better performance in the current year.

### HUMAN RESOURCES & INDUSTRIAL RELATIONS

Our Company believes that people are not only its greatest asset but also the biggest competitive advantage. Employees are vital and valuable assets for any organization. They have always been part of success stories experienced by the organizations. The Company recognizes people as



the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfil their aspirations. The Company has an optimum process of recruitment and awarding its human resource which leads to attraction and retention of productive individuals in the organization. During the year, industrial relations were cordial. The total number of employees in the company stands at 280 as at March 31, 2020.

### KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Following are the key financial ratios:

Particulars	2019-20	2018-19
Price Earnings Ratio	(6.83)	9.01
Debtors Turnover Ratio	6.75	7.66
Inventory Turnover Ratio	6.23	9.25
Interest Coverage Ratio	(1.76)	3.83
Current Ratio	0.80	0.95
Debt Equity Ratio	2.62	1.92
Operating Profit Margin (%)	(4.85)	5.66
Net Profit Margin (%)	(5.30)	3.16
Return on Net Worth	(0.31)	0.20

### Reason for significant change:

- Price Earning (PE) Ratio is in negative due to losses suffered by the Company.
- Inventory turnover ratio has been decreased due to decrease in cost of goods sold because of lower sales volume while there was no corresponding decrease in inventory.
- Interest Coverage Ratio is in negative on account of negative EBIT & higher interest expense.
- Debt equity ratio has been increased due to higher debt and lower equity due to losses.
- Operating Profit Margin and Net Profit Margin is in negative due to losses suffered by the Company during the year.
- Since the earning is in negative, return on net worth is also negative.

### CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to climatic and economic conditions affecting demand and supply, price conditions, government regulations, taxation, other statutes and other incidental factors.



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is one of the essential pillars for building an efficient and sustainable environment. Your Company follows the best governance practices with highest integrity, transparency and accountability. Corporate Governance philosophy is further strengthened by its adoption of Code of Conduct for the Board members and Senior Management, the Board process, Code of Conduct for Prevention of Insider Trading in Securities, Code of Fair Practices and Disclosure. The Company recognize that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance.

The Company's philosophy on corporate governance is to enhance the long-term economic value of the Company and to give sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders & other key stakeholders. We are in compliance of all mandatory requirements of corporate governance laid down under new listing Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ["SEBI (LODR) Regulations"].

### 2. BOARD OF DIRECTORS

#### i) Board Structure

The Board composition comprised of Six Directors head by Mr. Narendra Kumar Pasari (Managing Director) an Executive Director, two are Non- Executive Directors, including one Women Director and three are Independent Director as at the year ended March 31, 2020, in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred as "(LODR) Regulations") and Companies Act, 2013. The Board provides strategic guidance to the Company management and ensures effective monitoring of the management and corporate governance practices.

The number of Directorships held by Executive, Non-Executive and Independent Directors are within the permissible limits under SEBI (LODR) Regulations and Companies Act, 2013. The Directors have provided necessary disclosures regarding change in Committee positions, if any, during the year. Further, none of the Directors is a Member of more than 10 Committees or Chairperson of more than 5 Committees (only Audit committee and Stakeholders' Relationship Committee) across all public limited companies during the year.

#### Independent Directors

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (LODR)

Regulations and Section 149(6) of the Companies Act, 2013. Board comprised of three Independent Directors as on March 31, 2020. The Company had issued formal letter of appointment/re-appointment to its Independent Directors. The tenure of Independent Directors is in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and Section 149(6) and have provided the declaration under Section 149 (7) of the Companies Act, 2013. In terms of Regulation 25(8) of SEBI (LODR) Regulations, the Independent Directors have confirmed that they were not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from them, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations and that of Companies Act, 2013 and are independent of the management.

The details of composition of the Board as on March 31, 2020, the attendance record of the Directors at the Board Meetings held during financial year 2019-20 and at the last AGM, as also the number of Directorship(s)/Committee Chairmanship(s)/Membership(s) held by them in other public companies along with shareholding of non-executive directors are given below:

Name/Designation of Directors	Category	No. of Position held in other companies			No. of Board Meetings Attended	Attendance at last AGM	No. of shares held by Non-Executive Directors (as on 31.03.2020)
		Directorship	Committee\$				
			Member	Chairman			
Mr. Narendra Kumar Pasari (Managing Director)	ED (P)	1	-	-	10	No	N.A.
Mr. Bishwanath Pasari	NED (P)	4	1	-	4	No	200
Mr. Lal Chand Sharma	NED (I)	-	-	-	5	No	-
Mr. Prakash Narayan Singh	NED (I)	1	-	-	11	Yes	-
Mr. Rajesh Mujoo	NED (I)	-	-	-	11	No	-
Mrs. Rakhi Verma	NED	-	-	-	11	Yes	-

\$ Chairmanship/Membership of Board Committees includes only Audit Committee and Stakeholders Relationship Committee.

ED (P) - Executive Director (Promoter)

NED (P) - Non-Executive Director (Promoter)

NED (I) - Non-Executive Director (Independent)

#### ii) Meetings of Board of Directors

Eleven Board meetings were held during the financial year 2019-20 i.e. on April 26, 2019, May 20, 2019, June 13, 2019, July 08, 2019, August 12, 2019, September 05, 2019, October 24, 2019, November 14, 2019, December 05, 2019, February 13, 2020 and March 20, 2020. The necessary quorum was present for all the Board Meetings. The interval between any two Board Meetings was well within the maximum allowed gap of one hundred and twenty days. After each Board Meeting, your Company has a well-articulated system





of follow up, review and reporting on actions taken by the Management with regard to the decisions of the Board.

All relevant information as required under Schedule II of the SEBI (LODR) Regulations was placed before the Board from time to time.

### iii) Board Membership Criteria/Skills

The Board identifies the right candidate with right qualities, skills, diversity and experience required for an individual member to possess.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership / Operations
- Strategic Planning
- Global Business
- Finance & Legal
- Corporate Governance, Compliance & Risk Management

Given below is a list of core skills, expertise and competencies of the individual Directors:

S.No	Name	DIN	Skills/Expertise/Competencies				
			Leadership / Operations	Strategy and Planning	Global Business	Finance & Legal	Corporate Governance, Compliance & Risk Management
1	Mr. Narendra Kumar Pasari	00101426	√	√	√	√	√
2	Mr. Bishwanath Pasari	00101519	√	√	√	√	√
3	Mr. Lal Chand Sharma	00196158	√	√	√	√	√
4	Mr. Prakash Narayan Singh	00076392	√	√	√	√	√
5	Mr. Rajesh Mujoo	07751945	√	√	√	√	√
6	Mrs. Rakhi Verma	07995132	√	√	√	√	√

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

### iv) Performance evaluation

Pursuant to the provisions of the Act and the SEBI (LODR) Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. The evaluation process primarily focussed on factors such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The report of performance evaluation was then discussed and noted by the Board. The performance evaluation of the Managing Director and the Non-Independent Directors was carried out by the Independent Director. The Directors expressed their satisfaction with the evaluation process.

### v) Appointment and Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 13, 2020. The Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Management and the Board. All Independent Directors were present in the meeting.

### vi) Familiarisation Programme for Independent Directors

At the time of appointing Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities expected of him/her as a Director of the Company. The Company's management makes business presentations periodically to familiarize Independent Directors with the strategy, operations and functions of the Company. These interactions provide them with a holistic perspective of the Company's business and regulatory framework.

The details of the familiarisation programme for Directors are available on the Company's website at [www.skpmil.com](http://www.skpmil.com) at [www.skpmil.com/pagepdf/1565263032.pdf](http://www.skpmil.com/pagepdf/1565263032.pdf) link.

### 3. AUDIT COMMITTEE

Constitution of Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with rules framed there under and Regulation 18 of the SEBI (LODR) Regulations, 2015. The committee comprise of three Directors, all three were Non-Executive Independent Directors. The Chairman of the Committee is Mr. Prakash Narayan Singh, a Non-Executive & Independent Director. The Company Secretary is the Secretary to the Audit Committee. The present composition and details of meeting attended by the members of Audit Committee are as under:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Prakash Narayan Singh	Chairman	NED (I)	5
2	Mr. Lal Chand Sharma	Member	NED (I)	5
3	Mr. Rajesh Mujoo	Member	NED (I)	5

NED (I) - Non-Executive Director (Independent)

### Meeting and Attendance:

The Audit Committee met 5 (five) times during the financial year 2019-20 and the time gap between two meetings is not more than 120 days. The numbers of meetings held and attended by the members during the year are as under:

Sr. No.	Date of Audit Committee Meeting	Total strength of committee	Attendance
1	April 26, 2019	3	3
2	May 20, 2019	3	3
3	August 12, 2019	3	3
4	November 14, 2019	3	3
5	February 13, 2020	3	3

The necessary quorum was present at the meetings.





### Role of the Audit Committee:

The brief terms of reference of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions, if any.
  - Qualifications in the draft audit report, if any.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Evaluation of internal financial controls and risk management systems;
- Interaction with Auditors including review of internal audit function and reports;
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

In addition, the Committee has discharged such other role/function as envisaged under Regulation 18 of the SEBI (LODR) Regulations and the provisions of Section 177 of the Act.

### 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has framed Stakeholder Relationship Committee as per the requirements of Section 178 of the Companies Act, 2013 read with Rules framed there under and Regulation 20 of the SEBI (LODR) Regulations 2015. The composition, names of members, chairperson, and particulars of the meetings and attendance of the members during the financial year ended on March 31, 2020 are as follows:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Prakash Narayan Singh	Chairman	NED (I)	4
2	Mr. Rajesh Mujoo	Member	NED (I)	4
3	Mrs. Rakhi Verma	Member	NED	4

NED (I) - Non-Executive Director (Independent)

NED - Non-Executive Director

### Meeting and Attendance:

The Stakeholder Relationship Committee met 4(four) times during the financial year 2019-20. The numbers of meetings held and attended by the members during the year are as under:

Sr. No.	Date of Stakeholder relationship Committee Meeting	Total strength of committee	Attendance
1	May 20, 2019	3	3
2	August 12, 2019	3	3
3	November 14, 2019	3	3
4	February 13, 2020	3	3

The terms of reference of the Stakeholders Relationship Committee, inter alia, include the followings:

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- to review measures taken for effective exercise of voting rights by shareholders;
- to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- to review of the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

Information on Investor Complaints of financial year 2019-20:

- No. of investors' complaints received during the year: Nil
- No. of complaints not solved to the satisfaction of shareholders during the year: Nil
- No. of complaints pending as at March 31, 2020: Nil (other than those which are under litigation, disputes or court orders).

### 5. NOMINATION AND REMUNERATION COMMITTEE

The Company has framed Nomination and Remuneration Committee as per the requirements of Section 178 of the Companies Act, 2013 read with Rules framed there under and Regulation 19 of the SEBI (LODR) Regulations 2015.

The composition, names of members, chairperson, status and Number of the meetings during the financial year ended on March 31, 2020 are as follows:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Rajesh Mujoo	Chairman	NED (I)	5
2	Mr. Prakash Narayan Singh	Member	NED (I)	5
3	Mrs. Rakhi Verma	Member	NED	5

NED (I) - Non-Executive Director (Independent)

NED - Non-Executive Director

**Meeting and Attendance:**

The Nomination and Remuneration Committee met 5 (five) times during the financial year 2019-20.

The numbers of meetings held and attended by the members during the year are as under:

Sr. No.	Date of Nomination and Remuneration Committee Meeting	Total strength of committee	Attendance
1	May 20, 2019	3	3
2	August 12, 2019	3	3
3	November 14, 2019	3	3
4	December 5, 2020	3	3
5	February 13, 2020	3	3

The terms of reference of the Nomination and Remuneration Committee, inter alia, include the followings:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the laid down criteria and recommend their appointment and removal to the Board;
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for performance evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Board has approved Nomination and Remuneration Policy as recommended by Nomination and Remuneration Committee which is displayed on the Company's website [www.skpmil.com](http://www.skpmil.com)

**6. REMUNERATION TO DIRECTORS**

- During the financial year the Non-Executive Directors do not have any pecuniary relationship or transactions with the Company. The terms and conditions for appointment of Independent Directors is available on the website of the Company: [www.skpmil.com](http://www.skpmil.com)
- Criteria of making payments to Non-Executive Directors**  
The Company does not pay any remuneration or sitting fee to the Non-Executive Directors. They are entitled to claim the actual out-of-pocket expenses incurred for attending Board Meetings.
- Remuneration to Managing Director**  
The details of remuneration paid to Mr. Narendra Kumar Pasari, Managing Director during the financial year ended

March 31, 2020 is as under:

(Amount in ₹)

Basic Salary	HRA	Perquisites	Bonus	Others- Contribution to PF	Total
11,25,000	5,62,500	39,600	74,970	1,35,000	19,37,070

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has constituted Corporate Social Responsibility (CSR) Committee, in compliance with the provision of section 135 of the Companies Act, 2013 read with Rules framed there under. The composition, names of members, chairperson, and particulars of the meetings and attendance of the members during the financial year ended on March 31, 2020 are as follows:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Rajesh Mujoo	Chairman	NED (I)	4
2	Mr. Prakash Narayan Singh	Member	NED (I)	4
3	Mrs. Rakhi Verma	Member	NED	4

NED (I) - Non-Executive Director (Independent)

NED - Non-Executive Director

**Meeting and Attendance:**

The Corporate Social Responsibility Committee met 4 (four) times during the financial year 2019-20. The numbers of meetings held and attended by the members during the year are as under:

Sr. No.	Date of Corporate Social Responsibility Committee Meeting	Total strength of committee	Attendance
1	May 20, 2019	3	3
2	August 12, 2019	3	3
3	November 14, 2019	3	3
4	February 13, 2020	3	3

**Role of the committee:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in accordance with the provisions of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on activities to be undertaken by the Company;
- Review and monitor the CSR policy of the Company and its implementation from time to time;
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

**8. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report as required under SEBI (LODR) Regulations, is disclosed separately in this Annual Report.

**9. RECONCILIATION OF SHARE CAPITAL**

The Reconciliation of Share Capital Audit was undertaken by the Company Secretary in practice on a quarterly basis



and the audit covers the reconciliation of the total admitted capital with NSDL and CDSL and the total issued and listed capital. The Reconciliation Reports were submitted to the Stock Exchanges and is also placed on the website of the Company. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and in physical form.

## 10. CEO/CFO CERTIFICATION

To comply with Regulation 17(8) of SEBI (LODR) Regulations, the Managing Director and the Chief Financial Officer (CFO) of the Company have given Compliance Certificate stating therein matters prescribed under Part B of Schedule II of the said regulations.

To comply with Regulation 33(2) (a) of SEBI (LODR) Regulations, the Managing Director & the CFO have certified that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading while placing the Financial Results before the Board.

## 11. CODE OF CONDUCT

Your Company's Code of Conduct is applicable to all the Board members and the Senior Managerial Personnel of the Company. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct. The Code of Conduct is available on the Company's website at: [www.skpmil.com](http://www.skpmil.com). All Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Company's Code of Conduct and disclosure under Regulation 26(5) and 26(6) of SEBI (LODR) Regulations, for the financial year ended March 31, 2020.

A declaration signed by the Managing Director of the Company in terms of regulation 26(3) of SEBI (LODR) to this effect is attached as to the Corporate Governance Report in this Annual Report.

## 12. GENERAL MEETINGS

The details of Annual General Meetings held during last three years and the special resolution(s) passed there at, are as follows:

AGM Date & Time	Venue of Meeting	Special Resolution Passed
26-09-2017 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	-
28-09-2018 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	-
26-09-2019 10:30 a.m.	Shikshak Sadan, Surajmal Vihar, Delhi - 110092	1. Re-appointment of Mr. Narendra Kumar Pasari (DIN: 00101426) as Managing Director and fixing his remuneration. 2. Continuation of directorship of Mr. Bishwanath Pasari (DIN: 00101519) as a Director of the Company who has attained the age of 75 years.

There has been no resolutions put through postal ballot during the last year and there is no immediate proposal for passing any resolution through postal ballot.

## 13. MEANS OF COMMUNICATION

Our Company focuses on prompt, continuous and efficient communication to all its stakeholders. We are constantly interacts with Shareholders through multiple channels of communication such as result announcements, annual report, updating the information on Company's website, etc. Some other Information are mentioned below.

### I. Quarterly Results:

The quarterly, half yearly and yearly financial results of the Company are submitted to the Bombay Stock Exchange immediately after they are approved by the Board. The results are published in the leading newspapers such as Business Standard (both English & Hindi).

### II. Website:

Detailed information on the Company's business; quarterly and annual financial results, shareholding patterns and other information are displayed on the Company's website [www.skpmil.com](http://www.skpmil.com)

### III. Intimation to Stock Exchange:

All the data relating to financial results, quarterly compliances, various submissions/disclosure documents etc., are filed electronically on BSE's Electronic platform 'Listing Centre' and shareholding pattern & Corporate Governance Report have been filed in XBRL mode with the Exchange on the 'Listing Centre' as mandated by BSE. Disclosure pursuant to various provisions of SEBI (LODR) Regulations, as applicable, are promptly communicated to the Bombay Stock Exchanges, and are displayed by them on their websites.

## 14. GENERAL SHAREHOLDER INFORMATION

### i) Corporate Identity Number (CIN)

The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India, is L21012DL1972PLC279773.

### ii) Annual General Meeting

Pursuant to the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), the 48th Annual General Meeting (AGM) for the year ended March 31, 2020 is scheduled through Video Conferencing.



Date : September 29, 2020  
 Day : Tuesday  
 Time : 10.30 a.m.  
 Venue : The Company is conducting meeting through VC / OAVM

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

### iii) Financial Year

The Company follows the period of April 01 to March 31 as the Financial Year.

### iv) Book Closure Date

September 23, 2020 to September 29, 2020 (both days inclusive).

### v) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following two Stock Exchanges:

Name & Address of the Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd. Floor 25, P J Towers, Dalal Street, Mumbai - 400 001	500388
* The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700 001	29133

\*The Company's delisting application with Calcutta Stock Exchange is in process since long.

Note: Due to Corona Virus pandemic, the Company is facing cash crunch situation and hence, annual listing fee for the year 2020-21 has not yet paid to Bombay Stock Exchange Ltd.

### vi) Market Price Data

The Equity Shares of the Company are traded at the Bombay Stock Exchange Limited (BSE) only. The performance of the Equity Shares of the Company in comparison to BSE Sensex is given hereunder:

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April 2019	30.00	30.00	39,487.45	38,460.25
May 2019	31.45	31.45	40,124.96	36,956.10
June 2019	30.00	30.00	40,312.07	38,870.96
July 2019	30.00	30.00	40,032.41	37,128.26
August 2019	30.00	30.00	37,807.55	36,102.35
September 2019	29.50	26.65	39,441.12	35,987.80
October 2019	27.00	24.40	40,392.22	37,415.83
November 2019	24.40	23.35	41,163.79	40,014.23
December 2019	27.00	24.00	41,809.96	40,135.37
January 2020	27.00	26.95	42,273.87	40,476.55
February 2020	27.10	27.10	41,709.30	38,219.97
March 2020	27.10	27.10	39,083.17	25,638.90

Source: www.bseindia.com

### vii) Code of conduct for prohibition of insider trading

The Company has framed Code of Conduct for Prevention of Insider Trading in Company Securities ("PIT Code") and Fair Disclosure Code in accordance with PIT Regulations. These codes are framed to protect the interest of Shareholders at large and to prevent misuse of any Unpublished Price Sensitive Information (UPSI). The PIT Code aims at preventing insider trading activity by dealing in shares of the Company by its Designated Persons and their immediate relatives. The objective of Fair Disclosure Code is to ensure timely and adequate public disclosure of UPSI no sooner than credible and concrete information comes into being in order to make such information generally available. This Code is displayed on the Company's website viz. www.skpmil.com.

### viii) SEBI Complaints Redress System (SCORES)

The Investors can also raise complaints in a centralized web based complaints redress system called "SCORES". The Company uploads the action taken report on the complaints raised by the Shareholders on "SCORES", which can be viewed by the Shareholder. The complaints are closed to the satisfaction of the shareholders and SEBI. During the financial year 2019-2020, no shareholder's complaint was received on SCORES by the Company.

### ix) Registrar and Share Transfer Agents

All work related to Share Registry, both in physical and electronic form, are handled by the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited. The communication address of the Registrar and Share Transfer Agent is given hereunder:

M/s. Link Intime India Pvt. Ltd.  
 Noble Heights, 1st Floor, Plot NH 2,  
 C-1 Block LSC, Near Savitri Market,  
 Janakpuri, New Delhi-110058  
 Ph. # 011- 49411000  
 Fax # 011- 41410591  
 Email Id.: delhi@linkintime.com  
 Website: www.linkintime.co.in

Contact Persons: Mr. Swapan Kumar Naskar  
 Mr. Shamwant Kushwaha

### x) Share Transfer System

All communications regarding share certificates, change of address, dividends, etc. should be addressed to the RTA. Link Intime India Private Limited is the common Share Transfer Agent for both physical and dematerialised mode. Transfer of shares in electronic form are processed and approved by NSDL and CDSL through their Depository Participant without involvement of the Company.

The Company also obtains a certificate from the practicing Company Secretary on half yearly basis under Regulation 40(9) of the SEBI (LODR) Regulations, to the effect that all





share certificates have been issued within 30 days of lodgment of the transfer, sub-division, consolidation and renewal and files the same with Stock Exchanges.

**xi) Pending Share Transfers**

No share transfers were pending as on March 31, 2020.

**xii) Distribution of Shareholding**

The distribution of shareholding as on March 31, 2020 was as under:

Shareholding of Shares	Number of Shareholders	%	Number of shares	%
1 to 500	1120	83.39	1,95,133	1.44
501 to 1000	127	9.46	1,08,097	0.80
1001 to 2000	46	3.43	68,603	0.51
2001 to 3000	13	0.97	33,867	0.25
3001 to 4000	8	0.60	27,484	0.20
4001 to 5000	7	0.52	31,494	0.23
5001 to 10000	2	0.15	13,486	0.10
10001 & above	20	1.48	1,30,43,516	96.47
<b>Total</b>	<b>1,343</b>	<b>100.00</b>	<b>1,35,21,680</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2020**

Category Code	Category of shareholder	Total number of shares	As a percentage of total shares
(A)	Shareholding of Promoter and Promoter Group		
1	Indian	57,10,680	42.23
2	Foreign	-	-
Total Shareholding of Promoter and Promoter Group		<b>57,10,680</b>	<b>42.23</b>
(B)	Public Shareholding		
I	Institutions	-	-
II	Non-Institutions		
1	Bodies Corporate	38,43,320	28.42
2	Non-Resident Indians/Foreign Bodies Corporate	32,00,303	23.67
3	Resident Individuals and Others	7,67,377	5.68
Total Public Shareholding		<b>78,11,000</b>	<b>57.77</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
Total (A+B+C)		<b>1,35,21,680</b>	<b>100.00</b>

**xiii) Dematerialization of Shares**

The Company has executed agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. As on March 31, 2020, a total of 30,45,553 Equity Shares representing 22.52% of the total paid-up capital of the Company were in dematerialized form. Members are advised to get their shares converted into demat mode.

**The Company's ISIN No.: INE 970C01012**

**xiv) Outstanding GDRs/ADRs /Warrants etc**

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2020.

**xv)Commodity Price Risk/ Foreign Exchange Risk and Hedging**

The Company has foreign exchange risk and the mitigation of the same is managed by entering into forward contracts to hedge the risk as per Company's policy. The details of foreign currency exposure as on March 31, 2020 are disclosed in Note No. 54 of Notes to the Financial Statement. The Company does not indulge in commodity hedging activities.

**xvi) Credit Rating**

During the year under review, India Ratings & Research has upgraded long term rating of your Company and upgraded ratings are as under:

Long-Term Rating: Upgraded from BB to BB+

Short-Term Rating: A4

**xvii) Plant Location**

Plot No. "SPL-A" RIICO Industrial Area,  
Village - Keshwana, Tehsil - Kotputli,  
Distt. Jaipur (Rajasthan)  
PIN - 303 108

**xviii) Address for Correspondence**

Shree Krishna Paper Mills & Industries Ltd.  
4830/24, Prahlad Street,  
Ansari Road, Darya Ganj,  
New Delhi -110002.  
Phone Nos.: 91-11-46263200, 23261728  
Fax No.: 91- 11-23266708  
E-mail ID: cs@skpmil.com, info@skpmil.com  
Website: www.skpmil.com

**15. DISCLOSURES**

- During the year there was no materially significant related party transaction which may have potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction Policy which has been uploaded on its website at link: <http://www.skpmil.com/pagepdf/1565260052.pdf> link. The transactions with the companies, where the Directors of the Company were interested, were in the ordinary course of business and at arm's length basis. Details of related party information and transactions are being placed before the Audit Committee from time to time. The details of the related party transactions during the year have been provided in Note No. 55 of Notes to Financial Statements.
- The Company has complied with all the requirements of the Stock Exchanges/the Regulations and guidelines of SEBI and other Statutory Authorities on all matters relating to capital markets. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets.
- The Company has established a vigil mechanism through a Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of director(s)/ employee(s) who express



their concerns and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no personnel were denied access to the Audit Committee. The Company has formulated Whistle Blower policy which has been uploaded on its website at: viz. [www.skpmil.com](http://www.skpmil.com)

- d) A certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

- e) The board periodically reviewed the compliance of all the applicable laws and steps were taken by the company to rectify instances of non-compliance, if any. During the year, the company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) During the year, all the recommendations of committees of the Board, which are mandatorily required, were accepted by the Board.
- g) Details of total fees for all the services paid by the Company to the Statutory Auditors are given in Note No. 39 of Notes to Financial Statements.
- h) As the Company doesn't have any subsidiary under the provisions of the Act read with SEBI (LODR) Regulations, the requirement for adopting the Policy for determining 'material' subsidiaries is not applicable. Hence, no web link of the policy has been given in this report.
- i) In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements
- j) There is an inter-se relationship between two Directors of the Company. Mr. Narendra Kumar Pasari, Managing Director of the Company is the son of another Director, Mr. Bishwanath Pasari.
- k) Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

- l) The Company is in compliance with the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (listing regulations) for the financial year ended on March 31, 2020.

- m) A certificate from statutory auditors of the Company regarding compliance of conditions of Corporate Governance is annexed herewith to the Report on Corporate Governance in the Annual Report.





## **Auditors' Certificate of Compliance with Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the members of,  
**Shree Krishna Paper Mills & Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Shree Krishna Paper Mills & Industries Limited for the year ended on March 31, 2020, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Radheshyam Sharma & Co.**  
Chartered Accountants  
Firm Registration No. 016172N

Place: New Delhi  
Date: August 17, 2020

**CA Radheshyam Sharma**  
Proprietor  
Membership No. 097127  
UDIN: 20097127AAAADQ3780

## **Declaration for compliance with Code of Conduct**

I, Narendra Kumar Pasari, Managing Director of the Company declare that all the members of the Board of Directors and Senior Management Personnel have, for the year ended March 31, 2020, affirmed compliance with the Code of Conduct as laid down by the Company in terms of Regulation 26(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**For Shree Krishna Paper Mills & Industries Ltd.**

Place: New Delhi  
Date: July 23, 2020

**Narendra Kumar Pasari**  
Managing Director  
DIN: 00101426



### **Certificate by Managing Director and Chief Financial Officer**

The Board of Directors,

Shree Krishna Paper Mills & Industries Limited

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and to the best of our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and intimated the steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sanjiv Kumar Agarwal**  
Chief Financial Officer

**Narendra Kumar Pasari**  
Managing Director  
DIN: 00101426

Place: New Delhi  
Date: July 23, 2020

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para-C Sub-clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members of

**SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD.**

4830/24, Prahlad Street, Ansari Road,  
Darya Ganj, New Delhi-110002

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shree Krishna Paper Mills & Industries Limited having CIN: L21012DL1972PLC279773 and having registered office at 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi-110002(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
01	NARENDRA KUMAR PASARI	00101426	11/03/1974
02	BISHWANATH PASARI	00101519	17/12/1980
03	LAL CHAND SHARMA	00196158	30/07/2002
04	PRAKASH NARAYAN SINGH	00076392	01/07/2010
05	RAJESH MUJOO	07751945	07/03/2017
06	RAKHI VERMA	07995132	18/11/2017

Ensuring the eligibility of for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi

Date: 29/06/2020

For **BLAK & Co.**  
Company secretaries

**(Archana Bansal)**

(Mg. Partner)

M.NO.- A17865

COP -11714

UDIN-A017865B000396408



## INDEPENDENT AUDITOR'S REPORT

To the Members of

Shree Krishna Paper Mills & Industries Limited

Report on the audit of Financial Statements

### Opinion

We have audited the accompanying financial statements of Shree Krishna Paper Mills & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 March 31, 2020, and its loss and other comprehensive income, 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 on 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 Chartered Accountants of 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.

### Key Audit Matters

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

Description of a Key Audit Matter is given below:-

Sl No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Appropriateness of the carrying amount of trade receivables (Unsecured &amp; Considered Good) at amortized cost</b></p> <p>(Refer Note – 13 to the financial statements)</p> <p>Trade receivables aggregating to ₹ 1490.51 lakhs as at March 31, 2020 comprise a significant portion of the assets of the Company and serve as security for the Company's short-term debts.</p> <p>Letters have been sent to majority of the debtor for confirmation of balances and reconciliation, in case of differences, but replies have not been received from all.</p> <p>This is determined as a key audit matter as balance confirmation is one of the evidences which establishes the authenticity of the receivables which comprise significant portion of the Assets of the entity.</p>	<p>Our procedures, regarding obtaining the balance confirmation of Trade Receivable and verifying the same</p> <ul style="list-style-type: none"> <li>Designing the external confirmation procedures to obtain additional corroborative information as a response to address the assessed risks of material misstatement, including determining that external confirmation requests are properly addressed and contain return information for responses to be sent directly to the auditor and maintaining control over external confirmation requests.</li> <li>Evaluating whether the results of the external confirmation procedures provide relevant and reliable audit evidence, or whether performing further audit procedures is necessary including in the case of each non-response, perform alternative audit procedures to obtain relevant and reliable audit evidence</li> <li>Performing alternative audit procedures include examining specific subsequent cash receipts, transport documentation, and sales near the period-end.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions with the balances of trade receivables.</p>

### 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 annual report, but does not include the financial statements and our auditors' 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 in 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.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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.
- 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and





timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the '**Annexure-A**' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement 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 (Ind AS) specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements – refer note no. 44 of the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Radheshyam Sharma & Co.**  
Firm Registration No. 016172N  
Chartered Accountants

**CA Radheshyam Sharma**  
Proprietor  
Membership No.097127  
UDIN: 20097127AAAADK2865

Place: New Delhi  
Date: August 08, 2020

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

(Referred to in our report of even date)

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements", we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification at reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of Inventory except of goods-in-transit at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. The goods-in-transit has been verified with reference to subsequent receipt of material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security or not made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provision of para 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India apply and within the meaning of Section 73 to 76 of the Act and the Rules framed there under. Therefore, the provision of para 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing the undisputed

statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2019 for a period more than six months from the date the same became payable.

- (b) According to the information and explanations given to us, there are no disputed dues of income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities other than those as mentioned below:

Nature of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Pollution Control Board	Water Cess	6.70	01-06-2007 to 31-03-2013	Cess Appellate Committee
Central Excise Act, 1944	Excise Duty	315.94	19-01-2004 to 30-09-2014	Commissioner (Excise)
Central Board of Indirect Taxes and Customs	Custom Duty	363.10*	2006	Commissioner (Custom)
LADT-Haryana	Sales Tax	234.86	Various years	Hon'ble Supreme Court
Central Excise Act, 1944	Excise Duty & Interest	0.95	June 2016 to June 2017	Dy. Commissioner (CGST)

\*against this, ₹ 250.00 lakhs has been deposited by the Company under protest with Custom Department.

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans/ borrowings to the banks as on March 31, 2020.
- The Company does not have any loan or borrowings from the other financial institution or Government, nor has the Company issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Hence, provisions under para 3(ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.



- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of para 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, the provisions of para 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Radheshyam Sharma & Co.**  
Firm Registration No. 016172N  
Chartered Accountants

**CA Radheshyam Sharma**  
Proprietor  
Membership No.097127  
UDIN: 20097127AAAADK2865

Place: New Delhi  
Date: August 08, 2020



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

(Referred to in our report of even date)

Referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements", we report that:

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

We have audited the internal financial controls over financial reporting of Shree Krishna Paper Mills & Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Radheshyam Sharma & Co.**  
Firm Registration No. 016172N  
Chartered Accountants

**CA Radheshyam Sharma**  
Proprietor  
Membership No.097127  
UDIN: 20097127AAAADK2865

Place: New Delhi  
Date: August 08, 2020

**BALANCE SHEET AS AT MARCH 31, 2020**

		(₹ in Lakhs)	
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Property, Plant and Equipment	5 (a)	3,271.97	2,794.34
(b) Capital work-in-progress	5 (b)	178.71	563.13
(c) Financial Assets			
(i) Investments	6	164.37	208.45
(ii) Trade receivables	7	-	-
(iii) Loans	8	253.90	253.90
(iv) Other financial assets	9	24.64	3.41
(d) Deferred tax assets (net)	10	564.16	347.41
(e) Other non-current assets	11	95.73	91.22
<b>Total non-current assets</b>		<b>4,553.48</b>	<b>4,261.86</b>
(2) <b>Current assets</b>			
(a) Inventories	12	1,632.11	1,651.24
(b) Financial Assets			
(i) Trade receivables	13	1,464.92	1,534.08
(ii) Cash and cash equivalents	14	70.31	148.22
(iii) Bank balances other than (ii) above	15	155.45	157.16
(iv) Other financial assets	16	30.14	23.52
(c) Current Tax Assets (Net)	17	13.35	8.01
(d) Other current assets	18	646.82	763.88
<b>Total current assets</b>		<b>4,013.10</b>	<b>4,286.11</b>
(3) <b>Assets held for sale</b>	19	<b>148.86</b>	<b>190.23</b>
<b>Total Assets</b>		<b>8,715.44</b>	<b>8,738.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	20	1,352.17	1,352.17
(b) Other Equity	21	1,053.15	1,645.49
<b>Total equity</b>		<b>2,405.32</b>	<b>2,997.66</b>
<b>Liabilities</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	357.23	334.78
(ii) Trade payables	23	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		44.09	38.66
(B) total outstanding dues of creditors other than micro enterprises and small enterprises;		-	-
(iii) Other financial liabilities	24	133.10	115.86
(b) Provisions	25	149.61	151.84
<b>Total non-current liabilities</b>		<b>684.03</b>	<b>641.14</b>
(2) <b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	1,686.14	1,809.38
(ii) Trade payables	27	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		2,601.55	1,923.20
(B) total outstanding dues of creditors other than micro enterprises and small enterprises;		-	-
(iii) Other financial liabilities	28	505.89	677.83
(b) Other current liabilities	29	207.14	82.28
(c) Provisions	30	5.37	6.71
<b>Total current liabilities</b>		<b>5,006.09</b>	<b>4,499.40</b>
(3) <b>Liabilities against assets held for sale</b>	31	<b>620.00</b>	<b>600.00</b>
<b>Total Equity and Liabilities</b>		<b>8,715.44</b>	<b>8,738.20</b>
Significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

**For Radheshyam Sharma & Co.**

Firm Registration No. 016172N

Chartered Accountants

**CA Radheshyam Sharma**

Proprietor

Membership No. 097127

**Sanjiv Kumar Agarwal**  
Chief Financial Officer**Ritika Priyam**  
Company Secretary  
Membership No. A53502For and on behalf of the Board of Directors of  
**Shree Krishna Paper Mills & Industries Limited****Narendra Kumar Pasari**  
Managing Director  
DIN : 00101426**Rakhi Verma**  
Director  
DIN : 07995132

Place: New Delhi

Date: August 08, 2020

Place: New Delhi

Date: July 23, 2020



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020**

		(₹ in Lakhs)	
Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I) Revenue From Operations	32	10,127.58	14,261.24
II) Other Income	33	222.14	62.56
III) Total Income ( I + II )		10,349.72	14,323.80
IV) EXPENSES			
Cost of materials consumed	34	5,922.66	8,039.53
Changes in inventories of finished goods, stock-in -trade and work-in-progress	35	(16.90)	(168.13)
Employee benefits expense	36	877.72	856.31
Finance costs	37	909.23	279.08
Depreciation and amortization expense	38	367.44	326.42
Other expenses	39	3,728.21	4,393.53
Total expenses (IV)		11,788.36	13,726.74
V) Profit/(loss) before exceptional items and tax ( III - IV )		(1,438.64)	597.06
VI) Exceptional items	40	668.63	-
VII) Profit/(loss) before tax ( V + VI )		(770.01)	597.06
VIII) Tax expense			
- Current tax		-	146.90
- Deferred tax		(237.10)	(4.12)
- MAT (credit)/utilization		-	4.06
- Income tax adjustment for earlier years		3.69	-
Total tax expense (VIII)	41 (a)	(233.41)	146.84
IX) Profit/(loss) for the year (VII - VIII )		(536.60)	450.22
X) Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		8.69	(17.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss	41 (b)	-	4.79
B (i) Items that will be reclassified to profit or loss		(44.08)	79.34
(ii) Income tax relating to items that will be reclassified to profit or loss	41 (b)	(20.35)	(22.07)
Total Other Comprehensive Income (X)		(55.74)	44.45
XI) Total Comprehensive Income for the year (IX + X)		(592.34)	494.67
(comprising profit (loss) and other comprehensive income for the year)			
XII) Earnings per equity share (face value of ₹ 10/- each)			
(1) Basic (in ₹)	42	(3.97)	3.33
(2) Diluted (in ₹)	42	(3.97)	3.33
Significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma & Co.

Firm Registration No. 016172N

Chartered Accountants

CA Radheshyam Sharma

Proprietor

Membership No. 097127

Place: New Delhi

Date: August 08, 2020

For and on behalf of the Board of Directors of  
Shree Krishna Paper Mills & Industries Limited

Sanjiv Kumar Agarwal  
Chief Financial Officer

Ritika Priyam  
Company Secretary  
Membership No. A53502

Narendra Kumar Pasari  
Managing Director  
DIN : 00101426

Rakhi Verma  
Director  
DIN : 07995132

Place: New Delhi

Date: July 23, 2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

	Year ended March 31, 2020	(₹ in Lakhs) Year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / ( Loss ) before exceptional items and tax	(1,438.64)	597.06
Adjustments for :		
Depreciation and amortization expense	367.44	326.42
Finance costs	879.10	228.19
Net gain on sale of property ,plant and equipment	(668.63)	(0.76)
Interest income	(25.03)	(18.09)
Other non-operating income	(178.97)	(38.04)
Re-measurement of net defined benefit plans	8.69	(17.61)
Re-measurement of fair value of investment unlisted shares	(44.08)	79.34
Unrealised foreign exchange gain (net)	(18.14)	(4.62)
Provision for doubtful debts recovered ( net )	0.50	0.45
Provision of ECL	10.56	(0.76)
Excess provision w/back	(3.69)	-
Prior period adjustments	-	1.02
<b>Operating profit before working capital changes</b>	(1,110.89)	1,152.60
Adjustments for :		
Inventories	19.13	(541.62)
Trade and other receivables	196.97	504.83
Trade and other payables	908.42	(224.39)
<b>Cash from operating activities</b>	13.63	891.42
Income tax paid ( net of refunds )	(9.60)	(154.24)
<b>Cash flow before exceptional items</b>	4.03	737.18
<b>Exceptional items</b>		
Exceptional Items	668.63	-
<b>Net cash generated/(used in) operating activities</b>	672.66	737.18
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(460.64)	(719.62)
Sale proceed of property, plant and equipment	710.00	9.04
Proceed from property , plant and equipment held for sale	20.00	300.00
Interest received	23.70	15.44
Adjustments for :		
Creditors for capital goods	(67.02)	35.10
Capital advances	(4.51)	(75.03)
Fixed deposits with banks	1.71	(70.10)
<b>Net cash generated/(used in) investing activities</b>	223.24	(505.17)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	22.45	71.44
Repayment of long- term borrowings	0.99	(51.42)
Short-term borrowings ( net)	(123.24)	61.59
Interest paid	(874.01)	(212.26)
<b>Net cash used in financing activities</b>	(973.81)	(130.65)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(77.91)	101.36
<b>Opening balance of cash and cash equivalents</b>	148.22	46.86
<b>Closing balance of cash and cash equivalents</b>	70.31	148.22
(Refer note no.14)		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Radheshyam Sharma &amp; Co.

Firm Registration No. 016172N

Chartered Accountants

CA Radheshyam Sharma

Proprietor

Membership No. 097127

Sanjiv Kumar Agarwal  
Chief Financial OfficerRitika Priyam  
Company Secretary  
Membership No. A53502For and on behalf of the Board of Directors of  
Shree Krishna Paper Mills & Industries LimitedNarendra Kumar Pasari  
Managing Director  
DIN : 00101426Rakhi Verma  
Director  
DIN : 07995132

Place: New Delhi

Date: August 08, 2020

Place: New Delhi

Date: July 23, 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020****A. EQUITY SHARE CAPITAL**

Equity share capital (face value of ₹10/- each)	2019-2020		2018-2019	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Balance at the beginning of the year	1,35,21,680	1,352.17	1,35,21,680	1352.17
Changes during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,35,21,680</b>	<b>1,352.17</b>	<b>1,35,21,680</b>	<b>1,352.17</b>

**B. OTHER EQUITY**

(₹ in Lakhs)

Particulars	Reserve and Surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	Actuarial gain/(loss) on defined benefit plans	Equity instruments through Other Comprehensive Income	
As at April 01, 2018	22.97	565.49	500.00	(118.52)	52.99	127.89	1,150.82
Profit/(loss) for the year	-	-	-	450.22	-	-	450.22
Re-measurement of investments (unquoted)	-	-	-	-	-	57.27	57.27
Actuarial gain/(loss) during the year	-	-	-	-	(12.82)	-	(12.82)
Total Comprehensive Income for the year	-	-	-	450.22	(12.82)	57.27	494.67
Balance as at March 31, 2019	22.97	565.49	500.00	331.70	40.17	185.16	1,645.49
Profit/(loss) for the year	-	-	-	(536.60)	-	-	(536.60)
Re-measurement of investments (unquoted)	-	-	-	-	-	(64.43)	(64.43)
Actuarial gain/(loss) during the year	-	-	-	-	8.69	-	8.69
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(536.60)</b>	<b>8.69</b>	<b>(64.43)</b>	<b>(592.34)</b>
<b>Balance as at March 31, 2020</b>	<b>22.97</b>	<b>565.49</b>	<b>500.00</b>	<b>(204.90)</b>	<b>48.86</b>	<b>120.73</b>	<b>1,053.15</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

**For Radheshyam Sharma & Co.**

Firm Registration No. 016172N

Chartered Accountants

**CA Radheshyam Sharma**

Proprietor

Membership No. 097127

**Sanjiv Kumar Agarwal**  
Chief Financial Officer**Ritika Priyam**  
Company Secretary  
Membership No. A53502For and on behalf of the Board of Directors of  
**Shree Krishna Paper Mills & Industries Limited****Narendra Kumar Pasari**  
Managing Director  
DIN : 00101426**Rakhi Verma**  
Director  
DIN : 07995132

Place: New Delhi

Date: August 08, 2020

Place: New Delhi

Date: July 23, 2020

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****1. CORPORATE INFORMATION**

Shree Krishna Paper Mills & Industries Limited (hereinafter referred to as 'the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's equity shares are listed on the Bombay Stock Exchange. The Company is principally engaged in the manufacturing and selling of news print paper and other value-added papers. The Company's registered office is at 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi – 110002.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on July 23, 2020.

**2. CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

**3. CRITICAL ACCOUNTING JUDGEMENTS & KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Company's financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Defined Benefit Plans**

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Contingencies & Commitments**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on our financial position or profitability.

**Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes.

**Allowances for doubtful debts**

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****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.

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

**Measurement of fair values**

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which the sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. For fair value hierarchy, refer note no.53 of financial statements.

**Recognition of deferred tax assets and liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**Estimation of uncertainties relating to the global health pandemic from Covid -19**

The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial statements.

**4. SIGNIFICANT ACCOUNTING POLICIES****A. STATEMENT OF COMPLIANCE**

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules 2015, as amended and other provisions of the Act. The presentation of the financial statements is based on Ind AS Schedule III of the Act.

**B. BASIS OF PREPARATION AND PRESENTATION**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at their fair values at the end of each reporting period in accordance with the relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Company's financial statements have been presented in Indian National Rupee (₹) and all values are rounded to the nearest Lakhs, except where otherwise indicated.

**C. 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 it is:





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- 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 equivalent 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 current when:

- It is expected to be settled 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### D. FAIR VALUE MEASUREMENT

The Company measures financial instruments, such as derivatives and investment, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****E. PROPERTY, PLANT AND EQUIPMENT**

The tangible items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price including non-refundable duties and taxes, net of rebate and discounts and borrowing costs for qualifying assets, including other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss. Fully depreciated assets still in use are retained in financial statements.

Capital Work in Progress is stated at cost. Cost includes purchase price, net of taxes where applicable and all direct costs and borrowing costs attributable to qualifying assets till they are ready for their intended use.

**F. DEPRECIATION & AMORTIZATION**

Depreciation on the property, plant and equipment (except for leasehold land) is provided on straight-line method ("SLM") over the useful lives of the assets as specified in Schedule II to the Act. On property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leasehold land is amortized on a straight line basis over the period of lease.

**G. BORROWING COST**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**H. INVENTORIES**

Inventories except scrap are valued at lower of cost and net realizable value after providing for obsolescence. Scrap is valued at net realizable value. Cost is determined on FIFO basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs (net of recoverable taxes and duties wherever applicable) including manufacturing overheads incurred in bringing them to their respective present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

**I. REVENUE RECOGNITION**

Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue excludes Goods and Service tax (GST) that is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognized:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- i) Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods. It is measured at the fair value of the consideration received or receivable, net of returns and trade discounts.
- ii) Interest income for financial assets measured at amortized cost is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### J. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Financial statements are presented in Indian Rupee, which is also the 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 assets or liabilities are translated at exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit & loss. Financial instruments designated as Hedge Instruments are mark to market at the valuation existing on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Statement of Profit and Loss in the period in which they arise.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction.

The Company uses forward exchange contracts to hedge its exposure to the extent considered appropriate and premium or discount arising on such forward exchange contract is amortised as expense or income over the life of the contract. The unhedged forward contracts remaining unsettled at the year end are translated at the exchange rates prevailing on that date and the resulting gains or losses are recognized in the Statement of Profit and Loss.

### K. EMPLOYEE BENEFITS EXPENSE

#### i) Short term employee benefits

Short-term employee benefits include employee benefits (other than termination benefits) which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service and are recognized as expense in the period in which the related service is rendered.

#### ii) Post-employment benefits

##### a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

##### b) Defined benefit plans

Funded plan: The Company has a defined benefit plan for post employment benefit in the form of gratuity, which is administered through Life Insurance Corporation of India (LIC), liability for which is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

#### iii) Other long term employee benefits

Liability for compensated absences is provided on the basis of valuation as at the balance sheet date carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit (PUC) method.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- iv) Termination benefits are recognized as an expense as and when incurred.
- v) The actuarial gains and losses on defined benefit plans arising during the year are charged to the Other Comprehensive Income.

### L. TAX EXPENSES

Tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

#### Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. 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.

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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) is calculated as per Section 115 JB of the Income Tax Act, 1961 and is payable when tax as per it is higher than tax as per the normal provisions of the Act. Minimum Alternate Tax 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 of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### M. EARNINGS PER SHARE

Basic Earnings Per Share (EPS) is computed by dividing the net profit or loss after tax attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by adjusting the profit or loss attributable to the equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential equity shares.

### N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Where a provision is measured using the cash flows estimates to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

**O. LEASES**

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

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

**P. IMPAIRMENT OF ASSETS**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

**Trade receivables**

The Company applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**Q. DERIVATIVE FINANCIAL INSTRUMENTS**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**R. FINANCIAL INSTRUMENTS**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase and sale of financial assets are recognized using trade date accounting.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

**(i) Financial Assets****Initial Recognition and Measurement**

All financial assets are recognized 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.

**Subsequent Measurement****Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

**Financial Assets At Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell such financial assets and 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.

**Financial Assets At Fair Value Through Profit or Loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the Company has elected an irrevocable option to present value changes in OCI.

**(ii) Financial Liabilities**

All financial liabilities are recognized at fair value at initial recognition and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. Financial Liabilities are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition of Financial Instruments:**

A financial asset is primarily derecognised 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 and has substantially transferred all the risks and rewards of ownership of the financial assets.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**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, or to realise the assets and settle the liabilities simultaneously.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

### **S. NON-CURRENT ASSETS HELD FOR SALE**

Non-current assets or disposal comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met (i) decision has been made to sell (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be conducted within 12 months of the Balance Sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

Non-current assets classified as held for sale are presented separately in the balance sheet

### **T. EXCEPTIONAL ITEMS**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****5) PROPERTY, PLANT AND EQUIPMENT****(a) Property, plant and equipment**

(₹ in Lakhs)

Description	Land Lease hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
<b>Gross carrying amount</b>								
As at April 1, 2018	174.94	1,231.92	7,375.59	22.13	94.35	52.66	65.52	9,017.11
Additions	-	94.76	279.13	16.56	73.65	2.82	0.49	467.41
Deductions/Adjustments	-	-	36.65	-	21.25	-	-	57.90
As at March 31, 2019	174.94	1,326.68	7,618.07	38.69	146.75	55.48	66.01	9,426.62
As at April 01, 2019	174.94	1,326.68	7,618.07	38.69	146.75	55.48	66.01	9,426.62
Additions	-	59.66	779.58	0.11	0.00	0.24	5.48	845.07
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>174.94</b>	<b>1,386.34</b>	<b>8,397.65</b>	<b>38.80</b>	<b>146.75</b>	<b>55.72</b>	<b>71.49</b>	<b>10,271.69</b>
<b>Accumulated depreciations:</b>								
As at April 1, 2018	28.18	419.92	5,734.21	20.53	44.91	47.17	60.56	6,355.48
Additions	1.76	35.61	270.20	0.42	16.28	1.33	0.82	326.42
Deductions/Adjustments	-	-	34.43	-	15.19	-	-	49.62
As at March 31, 2019	29.94	455.53	5,969.98	20.95	46.00	48.50	61.38	6,632.28
As at April 1, 2019	29.94	455.53	5,969.98	20.95	46.00	48.50	61.38	6,632.28
Additions	1.78	44.11	300.94	1.66	16.23	1.41	1.31	367.44
Deductions/Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>31.72</b>	<b>499.64</b>	<b>6,270.92</b>	<b>22.61</b>	<b>62.23</b>	<b>49.91</b>	<b>62.69</b>	<b>6,999.72</b>
<b>Net Block</b>								
As at April 1, 2018	146.76	812.00	1,641.38	1.60	49.44	5.49	4.96	2,661.63
As at March 31, 2019	145.00	871.15	1,648.09	17.74	100.75	6.98	4.63	2,794.34
<b>As at March 31, 2020</b>	<b>143.22</b>	<b>886.70</b>	<b>2,126.73</b>	<b>16.19</b>	<b>84.52</b>	<b>5.81</b>	<b>8.80</b>	<b>3,271.97</b>

**(b) Capital work-in-progress**

(₹ in Lakhs)

<b>As at March 31, 2019</b>	
Plant and Equipment under erection	529.60
Buildings under construction	33.53
	563.13
<b>As at March 31, 2020</b>	
Plant and Equipment under erection	178.71
Buildings under construction	-
	178.71

**Notes:**

- Addition in Plant and Equipment includes loss of ₹ 0.61 lakhs (March 31, 2019 gain of ₹ 0.09 lakhs) on account of foreign exchange difference during the year.
- Refer note no. 44 (II) for details of contractual commitments.
- Refer note no. 26 (a) for information on property, plant and equipment pledged as security by the Company.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	As at March 31, 2020	(₹ in Lakhs) As at March 31, 2019
<b>6) NON-CURRENT FINANCIAL ASSETS - INVESTMENTS</b>		
Investments in Equity instruments (fully paid)		
<b>Quoted</b>		
Investments at fair value through profit or loss		
300 (March 31, 2019: 300) Equity Shares of ₹ 10/- each of Sarda Papers Ltd.	0.02	0.02
300 (March 31, 2019: Nil) Equity Shares of ₹ 10/- each of Soma Papers & Industries Ltd.*	-	-
<b>Un-quoted</b>		
Investment carried at fair value through other comprehensive income		
20,990 (March 31, 2019: 20,990) Equity shares of ₹ 10/- each of Bishwanath Industries Ltd.	164.35	208.43
Investments at fair value through profit or loss		
Nil (March 31, 2019: 300) Equity Shares of ₹ 10/- each of Soma Papers & Industries Ltd.*	-	-
	<b>164.37</b>	<b>208.45</b>
*Equity share of Soma Paper & Industries Ltd was delisted from Bombay Stock Exchange w.e.f. July 04, 2018 and the same was relisted on April 10, 2019.		
Aggregate amount of quoted investments ₹ 0.02 lakhs (March 31, 2019 ₹ 0.02 lakhs)		
Aggregate market value of quoted investments ₹ 0.02 lakhs (March 31, 2019 ₹ 0.02 lakhs)		
Aggregate amount of un-quoted investments ₹ 164.35 lakhs (March 31, 2019 ₹ 208.43 lakhs)		
<b>7) NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	-	-
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables - credit impaired	4.81	4.81
	<b>4.81</b>	<b>4.81</b>
Less: Loss allowance for bad and doubtful debts/credit impaired	4.81	4.81
	<b>-</b>	<b>-</b>
<b>8) NON-CURRENT FINANCIAL ASSETS - LOANS</b>		
Carried at amortised cost		
Loans receivables considered good - Secured	-	-
Loans receivables considered good - Unsecured		
Security deposit (interest bearing)	253.90	253.90
Loans receivables which have significant increase in Credit Risk	-	-
Loans receivables - credit impaired	-	-
	<b>253.90</b>	<b>253.90</b>
<b>9) NON-CURRENT FINANCIAL ASSETS - OTHERS</b>		
<b>(Unsecured, considered good )</b>		
Carried at amortised cost		
Security deposits	3.41	3.41
Fixed deposit with banks (remaining maturity more than 12 months)*	21.23	-
	<b>24.64</b>	<b>3.41</b>
* pledged with bank as margin against bank guarantees		
<b>10) DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred tax assets</b>		
Current tax loss	316.64	-
Deductible temporary differences	15.49	16.67
MAT credit entitlement	503.90	503.90
<b>Total deferred tax assets</b>	<b>836.03</b>	<b>520.57</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment	(229.45)	(151.09)
Fair valuation of financial instruments through Other Comprehensive Income	(42.42)	(22.07)
<b>Deferred tax assets/(liabilities) net</b>	<b>564.16</b>	<b>347.41</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Movement in deferred tax assets/(liabilities)						(₹ in Lakhs)
Particulars	Current tax loss	Deductible temporary differences	MAT credit entitlement	Property, plant and equipment	Fair valuation of financial instruments through OCI	Deferred tax assets/(liabilities) net
As at April 01, 2018	30.40	17.23	507.50	(186.17)	-	368.96
(Charged)/credited to profit or loss	(30.40)	(0.56)	-	35.08	-	4.12
MAT credit utilization charged to profit or loss	-	-	(4.06)	-	-	(4.06)
MAT credit entitlement credited to other comprehensive income	-	-	0.46	-	-	0.46
(Charged)/credited to other comprehensive income	-	-	-	-	(22.07)	(22.07)
As at March 31, 2019	-	16.67	503.90	(151.09)	(22.07)	347.41
(Charged)/credited to profit or loss	316.64	(1.18)	-	(78.36)	-	237.10
(Charged)/credited to other comprehensive income	-	-	-	-	(20.35)	(20.35)
<b>As at March 31, 2020</b>	<b>316.64</b>	<b>15.49</b>	<b>503.90</b>	<b>(229.45)</b>	<b>(42.42)</b>	<b>564.16</b>

		(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
<b>11) OTHER NON-CURRENT ASSETS</b>			
(Unsecured, considered good)			
Capital advances		95.73	91.22
		<b>95.73</b>	<b>91.22</b>
<b>12) INVENTORIES</b>			
(Valued at lower of cost and net realisable value)			
Raw materials*		937.44	975.26
Work-in-progress		46.56	13.46
Finished goods		321.77	337.97
Stores and spares**		326.34	324.55
		<b>1,632.11</b>	<b>1,651.24</b>
(i) Including goods in transit of :			
*₹ 63.78 lakhs (March 31, 2019 ₹ 74.87 lakhs) in Raw materials			
**₹ 12.87 lakhs (March 31, 2019 ₹ 33.94 lakhs) in Stores and spares			
(ii) Refer note no. 26 (a) for information on inventories pledged as security by the Company.			
<b>13) CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>			
Trade receivables considered good - Secured		-	-
Trade receivables considered good - Unsecured		1,490.51	1,549.12
Trade receivables which have significant increase in Credit Risk		-	-
Trade receivables - credit impaired		13.53	13.67
		<b>1,504.04</b>	<b>1,562.79</b>
Less: Loss allowance for bad and doubtful debts/expected credit loss/credit impaired		39.12	28.71
		<b>1,464.92</b>	<b>1,534.08</b>
<b>14) CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>			
Balances with banks - in current accounts		66.56	143.81
Cash on hand		3.75	4.41
		<b>70.31</b>	<b>148.22</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>15) CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS AS ABOVE</b>		
Fixed deposit with bank (maturing within 12 months)		
Pledged with bank as margin against Letter of Credit and Bank Guarantee*	155.45	157.16
Others	-	-
	<u>155.45</u>	<u>157.16</u>
* includes ₹ Nil (March 31, 2019 ₹ 11.41 lakhs) having an original maturity of more than 12 months		
<b>16) CURRENT FINANCIAL ASSETS - OTHERS (Unsecured, considered good)</b>		
Interest receivable	16.92	15.59
Security deposits	8.00	5.80
Other receivables	-	2.13
Forward contracts receivable	5.22	-
	<u>30.14</u>	<u>23.52</u>
<b>17) CURRENT TAX ASSETS (NET)</b>		
Advance income tax and tax deducted at source (net of provision)	13.35	8.01
	<u>13.35</u>	<u>8.01</u>
<b>18) OTHERS CURRENT ASSETS (Unsecured, considered good)</b>		
Advance to suppliers*	122.81	114.86
Employees' advances	2.05	11.33
Balance with statutory authorities	260.61	371.94
Deposit with government authorities	250.01	250.01
Prepaid expenses	7.26	11.66
Income tax refundable	4.08	4.08
	<u>646.82</u>	<u>763.88</u>
* Including ₹ 0.21 lakhs (March 31, 2019 ₹ 36.80 lakhs) with related party		
<b>19) ASSETS HELD FOR SALE</b>		
Land and Building	148.86	190.23
	<u>148.86</u>	<u>190.23</u>
In June 2017, the Company had decided to dispose of land and building of its shut plant situated at Bahadurgarh. Part of the land and building was sold during the year 2019-20 and for balance, the transaction for sale is in process and is to be completed in near future.		
<b>20) EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
2,00,00,000 (March 31, 2019: 2,00,00,000) Equity shares of ₹ 10/- each	2,000.00	2,000.00
5,00,000 (March 31, 2019: 5,00,000) 4% Cumulative redeemable preference shares of ₹ 100/- each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, subscribed and fully paid</b>		
1,35,21,680 (March 31, 2019: 1,35,21,680) Equity shares of ₹ 10/- each	1,352.17	1,352.17
	<u>1,352.17</u>	<u>1,352.17</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****(a) Reconciliation of number of shares outstanding at the beginning and end of the year**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
<b>Equity shares of ₹ 10/- each</b>				
Balance at the beginning of the year	1,35,21,680	1,352.17	1,35,21,680	1,352.17
Issued during the year	-	-	-	-
Balance at the end of the year	1,35,21,680	1,352.17	1,35,21,680	1,352.17

**(b) Rights, preferences and restrictions attached to equity shares:**

The Company has one class of equity shares referred to as equity shares having at face value of ₹ 10/- each. Each shareholder is entitled to one vote per share. Holders of equity shares are entitled to dividend, in proportion to the paid up amount, proposed by Board of Directors subject to approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity-holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Shareholders holding more than 5% of shares:**

Equity shares of ₹ 10/- each	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(%)	No. of Shares	(%)
M/s. Bishwanath Industries Ltd.	20,47,300	15.14	20,47,300	15.14
Mr. Vijay Kumar Gupta	20,00,000	14.79	20,00,000	14.79
M/s. Bishwanath Traders & Investments Ltd.	16,71,080	12.36	16,71,080	12.36
M/s. Govinda Power & Products Pvt. Ltd.	14,00,000	10.35	14,00,000	10.35
M/s. WPS PTE Ltd.	12,00,000	8.87	12,00,000	8.87
M/s. SKCS Finvest Pvt. Ltd.	10,14,850	7.51	10,14,850	7.51
Mr. Birender Kumar Pasari	9,10,000	6.73	9,10,000	6.73
M/s. Gopala Sales Pvt. Ltd.	7,50,000	5.55	7,50,000	5.55
M/s. Bijay Paper Traders Ltd.	7,47,100	5.53	7,47,100	5.53

(₹ in Lakhs)

**21) OTHER EQUITY****(i) Reserves and Surplus****(a) Capital Reserve**

Balance as per last balance sheet

**(b) Securities Premium**

Balance as per last balance sheet

**(c) Other Reserve****- Capital Redemption Reserve**

Balance as per last balance sheet

**(d) Retained Earnings**

Balance/(Deficit) as per last balance sheet

Add: Profit/(loss) for the year

**(ii) Item of Other Comprehensive Income****(a) Re-measurements of defined benefit plans**

Balance as per last balance sheet

Add: Actuarial gain/(loss) during the year

**(b) Re-measurements of investments in Equity instruments (unquoted)**

Balance as per last balance sheet

Add: on Re-measurement of investments

As at March 31, 2020		As at March 31, 2019	
	22.97		22.97
	565.49		565.49
	500.00		500.00
331.70		(118.52)	
(536.60)	(204.90)	450.22	331.70
40.17		52.99	
8.69	48.86	(12.82)	40.17
185.16		127.89	
(64.43)	120.73	57.27	185.16
	1,053.15		1,645.49

**Nature and purpose of reserves**

- Capital Reserve was created on forfeiture of equity shares and will be utilised in accordance with the provision of the Companies Act, 2013.
- Securities Premium was created to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.
- Capital Redemption Reserve was created for redemption of 4% Cumulative Redeemable Preference Shares of ₹ 100/- each. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.
- FVOCI equity investments:  
The company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>22) NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
Measured at amortized cost		
<b>Secured</b>		
Vehicle loan from bank	3.18	15.23
<b>Unsecured</b>		
Loans from related parties [refer note no. 55(c)]	354.05	319.55
	<b>357.23</b>	<b>334.78</b>
<b>Details of security and other terms:</b>		
(a) Current maturities of long term borrowings ₹ 14.21 lakhs (March 31, 2019 ₹ 13.22 lakhs) are taken under current financial liabilities others. (refer note no. 28)		
(b) Vehicle loan is secured by hypothecation of vehicle and year wise maturity amount is as under:-		
	2021-22	Total
Amount (₹ in Lakhs)	3.18	3.18
No. of Instalments	3	3
(c) Unsecured loans are repayable on March 31, 2027. However, the Company has the option to pay before maturity by giving prior notice of 30 days.		
(d) The above loans carry varying rates of interest with the maximum rate of interest going upto 12.00% (previous year 12.00%).		
	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>23) NON-CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
Measured at amortized cost		
(A) total outstanding dues of micro enterprises and small enterprises (refer note no 48)	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	44.09	38.66
	<b>44.09</b>	<b>38.66</b>
<b>24) NON-CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Measured at amortized cost		
Security deposits from dealers and contractors	98.16	85.22
Creditors for capital goods	34.94	30.64
	<b>133.10</b>	<b>115.86</b>
<b>25) NON-CURRENT PROVISIONS</b>		
Provision for employee benefits (refer note no 45)		
Gratuity	130.99	131.95
Leave encashment	18.62	19.89
	<b>149.61</b>	<b>151.84</b>
<b>26) CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
Cash credit from banks	1,686.14	1,809.38
	<b>1,686.14</b>	<b>1,809.38</b>
<b>Details of security and other terms:</b>		
(a) Above cash credit facilities from banks under consortium arrangement having Bank of India as Lead Bank, are secured by:		
<u>Primary security</u>		
(i) First pari-passu charge by way of hypothecation of stocks and book debts of the Company.		
(ii) Pledge of TDRs as cash margin for LC and BG limit.		
<u>Collateral security</u>		
(i) Charge on Land & Building situated at Keshwana unit.		
(ii) Hypothecation charge on block of assets (P & M and other fixed assets) of Keshwana (Kotputli) unit.		
(iii) First pari-passu charge by way of pledge of 48,20,400 equity shares (previous year 48,20,400)		
(iv) Hypothecation charge on the entire movable and immovable fixed assets of the Company both present and future on pari-passu basis.		
The facilities are guaranteed by personal guarantee of two Directors of the Company.		
(b) Maximum rate of interest on cash credit facilities was 14.00% per annum (previous year 14.00% per annum).		



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>27) CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
(A) total outstanding dues of micro enterprises and small enterprises (refer note no 48)	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	281.50	462.27
Other than acceptances	2,320.05	1,460.93
	<u>2,601.55</u>	<u>1,923.20</u>
<b>28) CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Current maturities of long term debt [refer note no 22(a)]		
Secured - vehicle loan from bank	12.05	11.06
Unsecured - loan from related party [refer note no. 55(c)]	2.16	2.16
Interest accrued	167.62	162.53
Other payables		
Due to employees	127.86	125.45
Creditors for capital goods	77.89	144.91
Expenses payable	118.31	222.51
Currency forward account	-	9.21
	<u>505.89</u>	<u>677.83</u>
<b>29) OTHER CURRENT LIABILITIES</b>		
Advance from customers	141.08	30.91
Security deposits from dealers	51.27	37.85
Statutory dues	14.79	13.52
	<u>207.14</u>	<u>82.28</u>
<b>30) CURRENT PROVISIONS</b>		
Provision for employee benefits (refer note no 45)		
Gratuity	-	-
Leave encashment	5.37	6.71
	<u>5.37</u>	<u>6.71</u>
<b>31) LIABILITIES AGAINST ASSETS HELD FOR SALE</b>		
Advance received against sale of Land and Building	620.00	600.00
	<u>620.00</u>	<u>600.00</u>
		(₹ in Lakhs)
	Year ended March 31, 2020	Year ended March 31, 2019
<b>32) REVENUE FROM OPERATIONS</b>		
(Refer note no. 47)		
Sale of products	10,012.69	14,095.99
Other operating revenues	114.89	165.25
	<u>10,127.58</u>	<u>14,261.24</u>
<b>33) OTHER INCOME</b>		
Interest income on:		
Security deposits carried at amortized cost	12.31	9.88
Fixed deposit with banks carried at amortized cost	12.72	8.21
	<u>25.03</u>	<u>18.09</u>
Other non-operating income		
Excess provision w/back	172.01	-
Excess provision w/back (ECL)	-	0.76
Foreign exchange rate fluctuations (net)	22.85	0.36
Provision for doubtful debts w/back	-	0.29
Profit on sale of property, plant and equipment	-	0.76
Miscellaneous income	2.25	9.14
Gain on re-measurement of financial assets/liabilities (net)#	-	33.16
	<u>222.14</u>	<u>62.56</u>

Loss on re-measurement of long term investment at FVTPL ₹ Nil (previous year ₹ 0.04 lakhs)

# Gain on re-measurement of long term borrowing at amortized cost ₹ Nil (previous year ₹ 33.20 lakhs)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

	(₹ in Lakhs)
Year ended March 31, 2020	Year ended March 31, 2019
<b>34) COST OF MATERIALS CONSUMED</b>	
Raw materials consumed	
Inventories at beginning of the year	975.26
Add: Purchases during the year (Net)	675.26
	5,884.84
	8,339.53
	6,860.10
Less: Inventories at end of the year	937.44
	975.26
	5,922.66
	8,039.53
<b>35) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>	
Opening inventories	
Finished goods	337.97
Work-in-progress	167.86
	13.46
	15.44
	351.43
	183.30
Closing inventories	
Finished goods	321.77
Work-in-progress	337.97
	46.56
	13.46
	368.33
	351.43
(Increase)/Decrease in inventories of	
Finished goods	16.20
Work-in-progress	(170.11)
	(33.10)
	1.98
	(16.90)
	(168.13)
<b>36) EMPLOYEE BENEFITS EXPENSE</b>	
Salary and wages	784.67
Contribution to provident and other funds	763.59
Staff welfare expenses	65.23
	62.68
	27.82
	30.04
	877.72
	856.31
<b>37) FINANCE COSTS</b>	
Interest	278.56
Right of Recompense	210.75
Interest on income tax	600.00
Other borrowing costs	-
	0.54
	17.44
	30.13
	50.89
	909.23
	279.08
<b>38) DEPRECIATION AND AMORTIZATION EXPENSES</b>	
Depreciation on property, plant and equipment (refer note no 5)	367.44
	326.42
	367.44
	326.42
<b>39) OTHER EXPENSES</b>	
Stores and spares consumed	355.05
Power and fuel	337.11
Packing materials	2,495.09
Contract charges for services	2,950.50
Rent	174.91
Repairs	298.68
Buildings	249.51
Machinery	258.87
Others	5.66
Insurance	1.00
Rates and taxes	5.66
Cost auditor's remuneration	0.53
Cost audit fees	3.83
Auditor's remuneration	29.64
For audit fees	101.68
For tax audit fees	26.33
For other services	23.97
Expenditure towards Corporate Social Responsibility (refer note no 43)	6.31
Loss on re-measurement of long term investment at FVTPL	7.04
Expected credit loss	5.85
Tour, travelling and conveyance	10.28
Miscellaneous expenses	0.75
	0.75
	0.90
	0.90
	0.30
	0.30
	0.90
	0.43
	20.00
	35.40
	-
	-
	10.56
	-
	133.99
	136.21
	216.59
	221.92
	3,728.21
	4,393.53



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****40) EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Profit on sale of a portion of Bahadurgarh land and building	668.63	-
<b>Total</b>	<b>668.63</b>	<b>-</b>

**41) TAX EXPENSE****(a) Amount recognised in Statement of Profit and Loss**

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Current tax	-	146.90
Deferred tax	(237.10)	(4.12)
MAT (credit)/utilization	-	4.06
Income tax adjustment for earlier years	3.69	-
<b>Total</b>	<b>(233.41)</b>	<b>146.84</b>

**(b) Income tax expense/(benefit) recognised in Other Comprehensive Income**

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Tax effect on actuarial gains/losses on defined benefit obligations	-	(4.33)
MAT credit entitlement on above	-	(0.46)
Deferred tax liability on re-measurement of unquoted equity instruments at FVTOCI	20.35	22.07
<b>Total</b>	<b>20.35</b>	<b>17.28</b>

**(c) Income tax reconciliation**

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Profit/(loss) before tax	(770.01)	597.06
Enacted tax rate (%)*	26.00%	27.82%
Tax expense/(saving) at enacted tax rate	(200.20)	166.10
Incremental deduction on account of depreciation	(41.94)	(7.45)
Other items giving rise to temporary differences	78.36	(35.09)
Tax effect due to brought forwarded losses	-	3.03
Effect due to non deductible expenses	35.06	38.19
Effect due to deductible expenses earlier disallowed	(14.92)	(19.86)
Other temporary differences	1.18	0.55
MAT utilized/(credit)	-	4.06
Effect of income that is exempted from tax	(94.81)	-
Income tax adjustment for earlier years	3.69	-
Others	0.17	(2.69)
<b>Total</b>	<b>(233.41)</b>	<b>146.84</b>

\*The variation in enacted tax rate is due to applicability of surcharge on the Company @ Nil in 2019-20 against 7.00% in 2018-19

**42) EARNINGS PER SHARE**

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Profit after Tax	(536.60)	450.22
Weighted average number of equity shares	1,35,21,680	1,35,21,680
Basic and diluted earnings per share (₹)	(3.97)	3.33
Face value of an equity share (₹)	10.00	10.00

**43) EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY**

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
(a) Gross amount required to be spent during the year	17.63	15.55
(b) Amount spent during the year	-	-
(i) On construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	20.00	35.40
<b>Total amount spent during the year</b>	<b>20.00</b>	<b>35.40</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****44) CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)**

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
(I) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Central excise duty and service tax matters	316.89	316.89
Custom duty matters	363.10	363.10
Water cess	6.70	6.70
Sales tax matters	234.86	234.86
Labour law matter	3.00	3.00
- Show Cause notices issued by the Excise Department, Rohtak for recovery of ₹ 4,043.51 lakhs has adjudicated and demand of ₹ 3,727.57 lakhs has been dropped. Remaining demand of ₹ 315.94 lakhs has confirmed along with the penalty thereon. The Company has filed appeal before the Hon'ble CESTAT. In addition, another show cause notices were issued by the Excise Department, Jaipur for recovery of ₹ 0.95 lakhs for which reply has been filed.		
- Customs Duty matter relates to demand of ₹ 163.10 lakhs and penalty and fine of ₹ 200.00 lakhs. The appeal has been filed before Hon'ble CESTAT. The amount of ₹ 250.00 lakhs is already lying deposited under protest with Custom Department.		
- The other contingent liabilities have been disputed by the Company before respective authorities on account of classification, rates and applicability.		
- Based on the legal advices, the Company is reasonably certain that the outcome of these proceedings shall not have a material impact on its financial statements.		
(b) Other money for which the Company is contingently liable		
Right of recompense under CDR package	404.60	1,004.60
- During the year the Company has paid ₹ 600.00 lakhs as Right of Recompense to all the member banks in their respective ratios and the same has been accounted for in the financial statement under the head of finance cost.		
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	280.29	159.35

**45) EMPLOYEE BENEFITS****a) Post retirement benefits : Defined contribution plans**

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

(₹ in Lakhs)

Sl. No.	Particulars	2019-2020	2018-2019
1	Contribution to employee's provident fund	14.59	15.20
2	Contribution to employee's family pension fund	21.77	21.33
	<b>Total</b>	<b>36.36</b>	<b>36.53</b>

**b) Defined benefit plans****(A) Gratuity (Funded)**

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
i. <b>Changes in the present value of obligation</b>		
a. Present value of obligation at the beginning of the year	205.83	172.55
b. Interest cost	15.68	13.37
c. Current service cost	18.83	17.42
d. Benefits paid	(21.25)	(15.29)
e. Actuarial (gain)/loss:		
due to change in financial assumptions	12.52	1.70
due to experience variance	(22.09)	16.08
f. Present value of obligation at the end of the year	209.52	205.83



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

		March 31, 2020	March 31, 2019
ii.	<b>Changes in the fair value of plan assets</b>		
a.	Present value of plan assets at the beginning of the year	73.88	45.91
b.	Expected return on plan assets	5.63	3.56
c.	Actuarial gain/(loss)	(0.88)	0.17
d.	Employer's contributions	21.15	39.53
e.	Benefit paid	(21.25)	(15.29)
f.	Fair value of plan assets at the end of the year	78.53	73.88
iii.	<b>Amount recognized in the Balance Sheet and reconciliation of the present value of obligation and the fair value of assets</b>		
a.	Present value of obligation at the end of the year	209.52	205.83
b.	Fair value of plan assets at the end of the year	78.53	73.88
c.	Net (asset)/liability recognized in the balance sheet	130.99	131.95
iv.	<b>Expenses recognized in the Statement of Profit &amp; Loss</b>		
a.	Current service cost	18.83	17.42
b.	Interest cost	15.68	13.37
c.	Expected return on plan assets	(5.63)	(3.56)
d.	Total expenses recognized in the Statement of Profit & Loss	28.88	27.23
v.	<b>Amount recognized in other comprehensive income</b>		
a.	Actuarial gain/(loss) on liabilities	9.57	(17.78)
b.	Actuarial gain/(loss) on assets	(0.88)	0.17
c.	Net gain/(loss) recognized in other comprehensive income	8.69	(17.61)
vi.	<b>Percentage of each category of plan assets to total fair value of plan assets as at end of the year</b>	%	%
a.	Insurer managed funds	100	100
vii.	<b>Actuarial assumption</b>	%	%
a.	Discount rate	6.65	7.62
b.	Expected rate of return on plan assets	7.62	7.75
c.	Salary escalation rate	10.00	10.00
(₹ in Lakhs)			
		March 31, 2020	March 31, 2019
viii.	<b>Sensitivity analysis</b>		
a.	Impact due to increase of 0.50% in discount rate	(6.68)	(6.36)
b.	Impact due to decrease of 0.50% in discount rate	7.21	6.86
c.	Impact due to increase of 1.00% in salary inflation rate	13.93	13.27
d.	Impact due to decrease of 1.00% in salary inflation rate	(12.46)	(11.96)
e.	Impact due to increase of 5.00% in withdrawal rate	(12.99)	(9.37)
f.	Impact due to decrease of 5.00% in withdrawal rate	24.70	17.41
ix.	<b>Maturity profile of defined benefit obligation</b>		
a.	1st following year	82.02	47.48
b.	2nd following year	5.37	48.09
c.	3rd following year	14.88	18.72
d.	4th following year	10.63	11.85
e.	5th following year	7.08	7.68
f.	After 6th following year	262.30	278.91
x.	<b>The expected contributions for Defined Benefit Plan</b>	34.64	34.84



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### (B) Leave encashment (Unfunded)

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
<b>i. Changes in the present value of obligation</b>		
a. Present value of obligation at the beginning of the year	26.60	24.50
b. Interest cost	2.03	1.89
c. Current service cost	5.66	5.63
d. Benefits paid	(9.34)	(4.51)
e. Actuarial (gain)/loss:		
due to change in financial assumptions	1.38	0.19
due to experience variance	(2.34)	(1.10)
f. Present value of obligation at the end of the year.	23.99	26.60
<b>ii. Amount recognized in the Balance Sheet and reconciliation of the present value of obligation and the fair value of assets</b>		
a. Present value of obligation at the end of the year	23.99	26.60
b. Fair value of plan assets at the end of the year	-	-
c. Net (asset)/liability recognized in the balance sheet	23.99	26.60
<b>iii. Expenses recognized in the Statement of Profit &amp; Loss</b>		
a. Current service cost	5.66	5.63
b. Interest cost	2.03	1.89
c. Net actuarial (gain)/loss	(0.96)	(0.91)
d. Total expenses recognized in the Statement of Profit & Loss	6.73	6.61
<b>iv. Amount recognized in other comprehensive income</b>		
a. Actuarial gain/(loss) on liabilities	-	-
b. Actuarial gain/(loss) on assets	-	-
c. Net gain/(loss) recognized in other comprehensive income	-	-
<b>v. Actuarial assumption</b>		
a. Discount rate	6.65	7.62
b. Expected rate of return on plan assets	NA	NA
c. Salary escalation rate	10.00	10.00
	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
<b>vi. Sensitivity analysis</b>		
a. Impact due to increase of 0.50% in discount rate	(0.74)	(0.71)
b. Impact due to decrease of 0.50% in discount rate	0.79	0.76
c. Impact due to increase of 1.00% in salary inflation rate	1.53	1.49
d. Impact due to decrease of 1.00% in salary inflation rate	(1.37)	(1.35)
e. Impact due to increase of 5.00% in withdrawal rate	(1.06)	(1.45)
f. Impact due to decrease of 5.00% in withdrawal rate	1.89	2.53
<b>vii. Maturity profile of defined benefit obligation</b>		
a. 1st following year	5.72	7.22
b. 2nd following year	2.11	2.80
c. 3rd following year	2.24	2.42
d. 4th following year	1.91	2.53
e. 5th following year	1.49	2.06
f. After 6th following year	28.02	30.10

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

- 46) Corporate Debt Restructuring (CDR) package was sanctioned to the Company vide LOA dated August 17, 2009. The package was successfully implemented by all the bankers w.e.f. the cut off date i.e. April 01, 2009 as per terms and conditions set out in the Letter of Approval(LOA). The CDR lenders have a right to recompense of their waivers & sacrifices made as part of the CDR proposal. The recompense payable by the Company is contingent on various factors, outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as contingent liability. During the year, the Company has paid ₹ 600.00 lakhs as right to recompense to all the member banks in their respective ratios and the same has been accounted for in the financial statement under the head of finance cost.
- 47) The Company is engaged into manufacturing and sale of paper and activities incidental thereto. There is no impact on the Company's revenue on applying Ind AS 115 on contracts with customers.

**Disaggregation of revenue from contracts with customers:**

(₹ in Lakhs)

Sl. No.	Particulars	2019-2020	2018-2019
1	Revenue from contracts with customers		
	Sale of products	10,012.69	14,095.99
2	Other operating revenues	114.89	165.25
	<b>Total revenue</b>	<b>10,127.58</b>	<b>14,261.24</b>

**Sales by performance obligations:**

(₹ in Lakhs)

Sl. No.	Particulars	2019-2020	2018-2019
1	Upon shipment	10,012.69	14,095.99
2	Upon delivery	-	-
	<b>Total</b>	<b>10,012.69</b>	<b>14,095.99</b>

**Reconciliation of revenue from contract with customer**

(₹ in Lakhs)

Sl. No.	Particulars	2019-2020	2018-2019
A	Revenue from contract with customer as per the contract price	10,196.90	14,527.19
	Adjustments made to contract price on account of:-		
	a) Discounts/rebates/incentives	164.55	429.02
	b) Sales returns/credits/reversals	19.66	2.18
	Revenue from contract with customer as per Statement of Profit and Loss (A)	10,012.69	14,095.99
B	Other operating revenues (B)	114.89	165.25
	<b>Revenue from operations (A+B)</b>	<b>10,127.58</b>	<b>14,261.24</b>

- 48) Disclosure of the amounts due to the Micro and Small Enterprises as required under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from parties on the request made by the Company as given under:

(₹ in Lakhs)

S. No.	Particulars	March 31, 2020	March 31, 2019
(a)	The principal amount due remaining unpaid to any supplier at the end of each accounting year;	-	-
(b)	The interest due remaining unpaid to any supplier at the end of each accounting year;	-	-
(c)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

- 49) Interest accrued (refer note no. 28) also includes accumulated dividend on 4% cumulative redeemable preference shares amounting to ₹ 145.76 lakhs in March 31, 2020 and ₹ 145.76 in March 31, 2019.
- 50) The Rajasthan State Industrial Development and Investment Corporation Ltd. had issued cancellation orders for part of the land of Keshwana. The said orders have been stayed by the Hon'ble High Court of Rajasthan.
- 51) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacturing and sale of paper and the activities incidental thereto, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

**Information about major customers**

Detail of customers accounted for 10% or more revenue is as under:

(₹ in Lakhs)			
Sl. No.	Particulars	2019-2020	2018-2019
1	Customer 1	1,437.68	2,699.04
2	Customer 2	1,138.17	2,171.96
3	Customer 3	-	1,804.50
4	Customer 4	-	1,798.00

**52) CAPITAL MANAGEMENT**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

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's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity.

**Gearing Ratio**

The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

(₹ in Lakhs)		
Particulars	March 31, 2020	March 31, 2019
Debt*	2,057.58	2,157.38
Less: Cash and bank balances	225.76	305.38
Net Debt	1,831.82	1,852.00
Total Equity	2,405.32	2,997.66
Debt to Equity ratio	0.76	0.62

\*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term debts.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****53) FAIR VALUE MEASUREMENT**

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

**(a) As at March 31, 2020**

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Investments in equity instruments (quoted)	0.02	-	-	0.02	0.02	-	-	0.02
Investments in equity instruments (unquoted)	-	164.35	-	164.35	-	164.35	-	164.35
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	253.90	253.90	-	-	-	-
Other financial assets	-	-	24.64	24.64	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	-	-	1,464.92	1,464.92	-	-	-	-
Cash and cash equivalents	-	-	70.31	70.31	-	-	-	-
Bank balances other than above	-	-	155.45	155.45	-	-	-	-
Other financial assets	5.22	-	24.92	30.14	-	5.22	-	5.22
<b>Total financial assets</b>	<b>5.24</b>	<b>164.35</b>	<b>1,994.14</b>	<b>2,163.73</b>	<b>0.02</b>	<b>169.57</b>	<b>-</b>	<b>169.59</b>
<b>Non-current financial liabilities</b>								
Borrowings	-	-	357.23	357.23	-	-	-	-
Trade payables	-	-	44.09	44.09	-	-	-	-
Other financial liabilities	-	-	133.10	133.10	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	1,686.14	1,686.14	-	-	-	-
Trade payables	-	-	2,601.55	2,601.55	-	-	-	-
Other financial liabilities	-	-	505.89	505.89	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,328.00</b>	<b>5,328.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) As at March 31, 2019**

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Investments in equity instruments (quoted)	0.02	-	-	0.02	0.02	-	-	0.02
Investments in equity instruments (unquoted)	-	208.43	-	208.43	-	208.43	-	208.43
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	253.90	253.90	-	-	-	-
Other financial assets	-	-	3.41	3.41	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	-	-	1,534.08	1,534.08	-	-	-	-
Cash and cash equivalents	-	-	148.22	148.22	-	-	-	-
Bank balances other than above	-	-	157.16	157.16	-	-	-	-
Other financial assets	-	-	23.52	23.52	-	-	-	-
<b>Total financial assets</b>	<b>0.02</b>	<b>208.43</b>	<b>2,120.29</b>	<b>2,328.74</b>	<b>0.02</b>	<b>208.43</b>	<b>-</b>	<b>208.45</b>
<b>Non-current financial liabilities</b>								
Borrowings	-	-	334.78	334.78	-	-	-	-
Trade payables	-	-	38.66	38.66	-	-	-	-
Other financial liabilities	-	-	115.86	115.86	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	1,809.38	1,809.38	-	-	-	-
Trade payables	-	-	1,923.20	1,923.20	-	-	-	-
Other financial liabilities	9.21	-	668.62	677.83	-	9.21	-	9.21
<b>Total financial liabilities</b>	<b>9.21</b>	<b>-</b>	<b>4,890.50</b>	<b>4,899.71</b>	<b>-</b>	<b>9.21</b>	<b>-</b>	<b>9.21</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

The following methods and assumptions were used to estimate the fair values:

The fair values of the long term borrowings, loans and other deferred payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

The fair value of long term quoted investment in equity instruments are measured at quoted market price.

The fair values of the unquoted instruments and other financial assets and liabilities have been estimated using a discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

The Company executed derivative financial instruments such as cross currency interest rate swap being valued using valuation techniques, which employs use of market observable inputs. The Company uses mark to market valuation provided by bank for its valuation.

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

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.

**54) FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk. The Company's management monitors these risks and provides assurance that the financial risk activities are governed by appropriate policies and procedures. The financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

**Trade receivables**

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The credit worthiness are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	9.31	4.11
180 - 365 days	4.03	0.69
1 year to 2 years	2.03	0.82
2 years to 3 years	0.83	1.71
above 3 years	9.39	7.71
Total	25.59	15.04

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	15.04	15.80
Addition	21.66	13.27
Write - offs	-	-
Recoveries	11.11	14.03
Balance at the end of the year	25.59	15.04

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management

The Company has unutilised working capital limits from banks of ₹ 813.86 lakhs as on March 31, 2020; ₹ 690.62 lakhs as on March 31, 2019.

The table below provides details regarding the contractual maturities of significant financial liabilities :

**As at March 31, 2020**

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Non derivative				
Borrowings	1,700.35	3.18	354.05	2,057.58
Trade payables	2,601.55	44.09	-	2,645.64
Other financial liabilities	491.68	34.94	98.16	624.78
Derivative				
Forward exchange contracts	-	-	-	-

**As at March 31, 2019**

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Non derivative				
Borrowings	1,822.60	15.23	319.55	2,157.38
Trade payables	1,923.20	38.66	-	1,961.86
Other financial liabilities	655.40	30.64	85.22	771.26
Derivative				
Forward exchange contracts	9.21	-	-	9.21

**Market Risk- Foreign Currency Risk**

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period. As a policy, the Company is covering foreign exchange risk on account of import to avoid any loss situation due to adverse fluctuations in currency rates. There is periodical review of foreign exchange transactions and hedging by the Company's executives.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative outstanding as at the reporting date

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable on account of purchase of goods		
Forward contracts to buy USD (\$ in lakhs)	2.46	4.20
Amount outstanding in Indian Rupee (₹ in lakhs)	182.00	301.06

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable on account of purchase of goods		
Amount outstanding in USD (\$ in lakhs)	0.67	2.27
Amount outstanding in Indian Rupee (₹ in lakhs)	50.18	157.79

**Market Risk-Price Risk Exposure**

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. Profit for the year would increase/ (decrease) as a result of gains/ losses on equity securities as at fair value through profit or loss.

**Sensitivity**

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index

Impact on Profit/(loss) before tax

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
BSE Sensex 30- Increase 5%	0.00	0.00
BSE Sensex 30- Decrease 5%	(0.00)	(0.00)

Above referred sensitivity pertains to quoted equity investment. Profit/(loss) for the year would change as a result of gains/ losses on equity securities as at fair value through profit or loss. Since the Company has nominal investments in quoted equity and hence, sensitivity analysis is reflecting zero value.

**Foreign Currency Risk Sensitivity**

A change of 5% in Foreign currency would have following Impact on profit/(loss) before tax

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
USD		
5% Increase	(11.61)	(22.94)
5% Decrease	11.61	22.94

**Interest Rate Risk**

The Company has loan facilities on floating interest rate, which exposes the Company to the risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

For the years ended March 31, 2020 and March 31, 2019, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase/(decrease) the Company's profit/(loss) before tax by approximately ₹ 8.72 Lakhs and ₹ 6.66 Lakhs respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

### **Commodity Rate Risk**

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases of waste paper including the raw material components and sales of newsprint paper and other papers. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's some of the raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's business are generally more volatile. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2020, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

### **55) RELATED PARTY DISCLOSURES**

#### **a) List of related parties:-**

##### **i) Key Management Personnel:**

Mr. Narendra Kumar Pasari	Managing Director
Mr. Sanjiv Kumar Agarwal	Chief Financial Officer
Mrs. Sonam Katyal	Company Secretary (upto December 04, 2019)
Ms. Ritika Priyam	Company Secretary ( w.e.f December 05, 2019)
Mr. Bishwanath Pasari	Non-Executive Director
Mr. Prakash Narayan Singh	Non-Executive Independent Director
Mr. Lal Chand Sharma	Non-Executive Independent Director
Mr. Rajesh Mujoo	Non-Executive Independent Director
Mrs. Rakhi Verma	Non-Executive Director

##### **ii) Relatives of Key Management Personnel:**

Mr. Birendra Pasari  
Mr. Pradeep Pasari  
Mr. Naynesh Pasari  
Mrs. Shilpa Pasari  
Mrs. Shradha Pasari

##### **iii) Enterprise where Key Management Personnel/Relative of Key Management Personnel has significant influence:**

Laxmi Traders  
Gopala Sales Pvt. Ltd.  
SKCS Finvest Pvt. Ltd.  
Bishwanath Traders & Investments Ltd.  
Dilwara Leasing and Investment Ltd.  
Inficore Visions Pvt. Ltd.  
Amer Hotels Ltd.  
Bishwanath Industries Ltd.  
Govinda Power & Products Pvt. Ltd.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

b) Details of transactions with the related parties in the ordinary course of business:-

(₹ in Lakhs)

Nature of transactions	2019-2020			2018-2019		
	Referred in (i) above	Referred in (ii) above	Referred in (iii) above	Referred in (i) above	Referred in (ii) above	Referred in (iii) above
<b>Expenses :</b>						
Employee benefit expense*						
(short term employee benefits)						
Mr. Narendra Kumar Pasari	19.37	-	-	16.08	-	-
Mr. Sanjiv Kumar Agarwal	13.49	-	-	13.03	-	-
Mrs. Sonam Katyal	3.53	-	-	4.80	-	-
Ms. Ritika Priyam	1.15	-	-	-	-	-
Consultancy paid						
Mr. Naynesh Pasari	-	6.00	-	-	6.00	-
Finance costs						
Gopala Sales Pvt. Ltd.	-	-	2.65	-	-	2.62
Bishwanath Industries Ltd.	-	-	28.72	-	-	25.74
Bishwanath Traders & Investments Ltd.	-	-	2.80	-	-	2.53
Dilwara Leasing & Investment Ltd.	-	-	2.73	-	-	2.15
Raw material purchase						
Gopala Sales Pvt. Ltd.	-	-	47.49	-	-	55.44
Govinda Power & Products Pvt. Ltd.	-	-	54.39	-	-	68.75
Packing material purchase						
Gopala Sales Pvt. Ltd.	-	-	63.92	-	-	134.66
Govinda Power & Products Pvt. Ltd.	-	-	17.96	-	-	56.11
<b>Income :</b>						
Sale of products						
Gopala Sales Pvt. Ltd.	-	-	1,028.61	-	-	800.16
Govinda Power & Products Pvt. Ltd.	-	-	473.40	-	-	-
Other operating revenues						
Gopala Sales Pvt. Ltd.	-	-	5.19	-	-	9.10
Govinda Power & Products Pvt. Ltd.	-	-	8.41	-	-	12.56
Other income						
Gopala Sales Pvt. Ltd.	-	-	0.72	-	-	0.72
Govinda Power & Products Pvt. Ltd.	-	-	0.66	-	-	0.66
SKCS Finvest Pvt. Ltd.	-	-	0.06	-	-	0.06
Inficore Visions Pvt. Ltd.	-	-	0.12	-	-	0.12
<b>Non-current financial liabilities-Borrowings:</b>						
Loan taken						
Dilwara Leasing & Investment Ltd.	-	-	-	-	-	25.57

\*it does not include provision for gratuity and leave encashment as the same is not determinable since the actuarial valuation is done for the Company as a whole.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

## c) Closing balances receivables/payables:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Referred in (i) above</b>		
Current financial liabilities-Others		
Mr. Narendra Kumar Pasari	1.88	1.72
Mr. Sanjiv Kumar Agarwal	0.76	1.45
Mrs. Sonam Katyal	-	0.52
Ms. Ritika Priyam	0.30	-
<b>Referred in (ii) above</b>		
Current financial liabilities-Trade payables		
Mr. Naynesh Pasari	0.45	0.45
<b>Referred in (iii) above</b>		
Current financial assets-Trade receivables		
SKCS Finvest Pvt. Ltd.	0.07	-
Inficore Visions Pvt. Ltd.	0.37	0.22
Gopala Sales Pvt. Ltd.	-	14.15
Other current assets		
Gopala Sales Pvt. Ltd.	0.14	33.85
Govinda Power & Products Pvt. Ltd.	0.07	2.95
Non-current financial liabilities-Borrowings*		
Bishwanath Traders & Investments Ltd.	28.31	25.51
Bishwanath Industries Ltd.	278.35	249.63
Gopala Sales Pvt. Ltd.	16.94	16.69
Dilwara Leasing & Investment Ltd.	30.45	27.72
Current financial liabilities-Trade payables		
Laxmi Traders	1.08	1.08
Amer Hotels Ltd.	0.15	0.15
Gopala Sales Pvt. Ltd.	90.92	-
Govinda Power & Products Pvt. Ltd.	60.20	-
Current financial liabilities-Others		
Gopala Sales Pvt. Ltd.	2.16	2.16
Amer Hotels Ltd.	0.15	0.15
Other current liabilities		
Gopala Sales Pvt. Ltd.	67.23	-
Bishwanath Traders & Investments Ltd.	1.63	1.63

\*These figures are at amortised cost as per Ind AS 109, the original values are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bishwanath Traders & Investments Ltd.	50.00	50.00
Bishwanath Industries Ltd.	508.64	508.64
Gopala Sales Pvt. Ltd.	20.00	20.00
Dilwara Leasing & Investment Ltd.	58.77	58.77

## d) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

## e) The Company does not have any subsidiary/associates.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****56) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS 7 - CASH FLOWS**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(₹ in Lakhs)

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term debt	Total
Net debt as at April 01, 2018	263.34	1747.79	64.64	2075.77
Proceeds from non-current borrowings (including current maturities) net	71.44	-	(51.42)	20.02
Proceed from current borrowings (net)	-	61.59	-	61.59
Net debt as at March 31, 2019	334.78	1809.38	13.22	2157.38
Net debt as at April 01, 2019	334.78	1809.38	13.22	2157.38
Proceeds from non-current borrowings (including current maturities) net	22.45	-	0.99	23.44
Proceed from current borrowings (net)	-	(123.24)	-	(123.24)
<b>Net debt as at March 31, 2020</b>	<b>357.23</b>	<b>1686.14</b>	<b>14.21</b>	<b>2057.58</b>

- 57) The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial statements.
- 58) Comparative corresponding figures for the previous year have been regrouped and/or re-arranged wherever considered necessary.
- 59) There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

**For Radheshyam Sharma & Co.**

Firm Registration No. 016172N

Chartered Accountants

**CA Radheshyam Sharma**

Proprietor

Membership No. 097127

Place: New Delhi

Date: August 08, 2020

For and on behalf of the Board of Directors of  
**Shree Krishna Paper Mills & Industries Limited**

**Sanjiv Kumar Agarwal**  
Chief Financial Officer

**Ritika Priyam**  
Company Secretary  
Membership No. A53502

**Narendra Kumar Pasari**  
Managing Director  
DIN : 00101426

**Rakhi Verma**  
Director  
DIN : 07995132

Place: New Delhi  
Date: July 23, 2020





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