



**SHREE KRISHNA PAPER
MILLS & INDUSTRIES LIMITED**
(WE RECYCLE WASTE)

SKPM/SEC.DEPT/2021-22
SEPTEMBER 02,2021

To,
BSE Limited
Corporate Relationship Deptt.
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai-400001

Dear Sir/Ma'am

Scrip Code:500388

Sub : Annual Report of the Company for the financial year 2020-21

Dear Sir,

The 49th Annual General Meeting of the Members of Shree Krishna Paper Mills and Industries Limited is scheduled to be held on Tuesday, September 28, 2021 at 11:00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith, the Annual Report of the Company for the financial year 2020-21 including notice as sent to the shareholders.

The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circular/s and SEBI Circular. The Notice of the 49th AGM and the Annual Report are also being uploaded on the website of the Company at www.skpmil.com.

Please take the above on your record and disseminate the same for the information of investors.

Thanking You,
For Shree Krishna Paper Mills & Industries Ltd.




Ritika priyam
Company Secretary & Compliance Officer
Mem No: A53502

Encl: As above



Visit us at : www.skpmil.com

REGD. OFFICE : 4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi-110002
Ph. : 91-11-46263200, 23261728, 23267253 Fax : 91-11-23266708 E-mail : info@skpmil.com
WORKS : Plot No. SPL-A, RIICO Industrial Area, Vill. & P.O. : Keshwana, Tehsil Kotputli,
Distt. : Jaipur-303108 (Rajasthan) Ph. : 7229860222, 7229860333 E-mail : keshwana@skpmil.com
CIN No. : L21012DL1972PLC279773 www.facebook.com/shreekrishnapaper

Annual Report

2020-2021



**Shree Krishna Paper Mills
& Industries Limited**



BOARD OF DIRECTORS

Mr. Narendra Kumar Pasari (Managing Director)
Mr. Dev Kishan Chanda*
Mr. Lal Chand Sharma
Mr. Prakash Narayan Singh
Mr. Rajesh Mujoo
Mrs. Rakhi Verma
*Appointed as Additional Director w.e.f. February 23, 2021

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
Bank of Baroda
CSB Bank Ltd.
Union Bank of India

REGISTERED OFFICE

4830/24, Prahlad Street,
Ansari Road, Darya Ganj,
New Delhi-110002
CIN : L21012DL1972PLC279773
Ph. 011-46263200, 23261728
Email : 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, 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

CONTENTS

Notice of AGM	02	Statement of Profit & Loss	41
Directors' Report	12	Cash Flow Statement	42
Management Discussion and Analysis Report	21	Statement of Changes in Equity	43
Corporate Governance Report	23	Significant Accounting Policies	45
Independent Auditors' Report	34	Notes to Financial Statements	53
Balance Sheet	40		



NOTICE

NOTICE is hereby given that the 49th Annual General Meeting of the members of **Shree Krishna Paper Mills & Industries Limited** will be held on Tuesday, September 28, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility at 11.00 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, 2021 together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Rakhi Verma (DIN: 07995132), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. **To Appoint Mr. Dev Kishan Chanda (DIN: 00407123) as a Non-Executive Non-Independent Director of the Company, to consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. Dev Kishan Chanda (DIN: 00407123), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company with effect from February 23, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any statutory modification (s) or re-enactment(s) thereof for the time being in force) and articles of association of the Company and who is eligible for appointment and has consented to act as Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, be and is hereby appointed as a Non-Executive Non Independent Director of the Company in professional category, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and /or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matter 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."

4. **To Approve the related party transaction with Govinda Power & Products Private Limited and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for entering into agreement(s)/ contract(s)/transaction(s) with Govinda Power & Products Private Limited, a related party, for sale and purchase transaction in respect of paper and other allied products and/or receipt/payment of commission on the terms and conditions as specified in the Explanatory Statement annexed to this Notice.

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

5. **To Approve the related party transaction with Gopala Sales Private Limited, and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for entering into agreement(s)/contract(s)/ transaction(s) with Gopala Sales Private Limited, a related party, for sale and purchase transaction in respect of paper and other allied products and/or receipt/payment of commission, on the terms and conditions as specified in the Explanatory Statement annexed to this Notice.

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



6. To Ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2022 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, 2022.

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
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 12, 2021

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 has permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being conducted through Video

Conferencing (VC)/ Other Audio Visual Means (OAVM) herein after called as “e-AGM”.

e-AGM: Company has appointed Link Intime India Private Limited, Registrars and Transfer Agents, to provide Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
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 22.09.2021 (Wednesday) to 28.09.2021 (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 <http://www.skpmil.com/AnnualReport>
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrars and Transfer Agents, Link Intime India Pvt. Ltd in this regard.
9. 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.

10. 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.

11. 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.

12. In compliance with the Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for Financial year ended on March 31, 2021 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

To support the 'Green Initiative', 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. Notice of the AGM along with the Explanatory Statement and the Annual Report for the year ended March 31, 2021, circulated to Members is also available on the websites of the Company i.e. <http://www.skpmil.com/AnnualReport> and on the websites of BSE Limited (Stock Exchange of India Limited) at www.bseindia.com.

13. 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.

14. 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.

15. 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. 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.

16. 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.

17. 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.



18. 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.
19. 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.
20. 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.
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 25.09.2021.
 - b. End of remote e-voting: Up to 5:00 P.M. (IST) on 27.09.2021.

INSTRUCTIONS FOR REMOTE E-VOTING

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.



	<ul style="list-style-type: none"> • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p>	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.</p>	<ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> ▶ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> A. User 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. <ul style="list-style-type: none"> • 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). 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. 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.

Institutional shareholders:

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.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, 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.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.
 - ▶ 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 this 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”.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders 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** or contact on: - Tel: 022 –4918 6000

PROCESS AND MANNER FOR ATTENDING THE FORTY NINTH 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).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.



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

1. 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 on or before, 5:00 P.M. (IST) on Saturday, 25.09.2021.
2. Shareholders will get confirmation on first cum first basis
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist 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 InstaMeet:

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 InstaMEET 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 InstaMeet 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. 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 InstaMeet. 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.

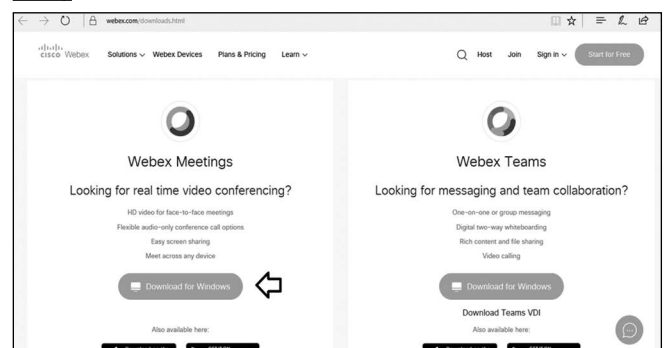
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

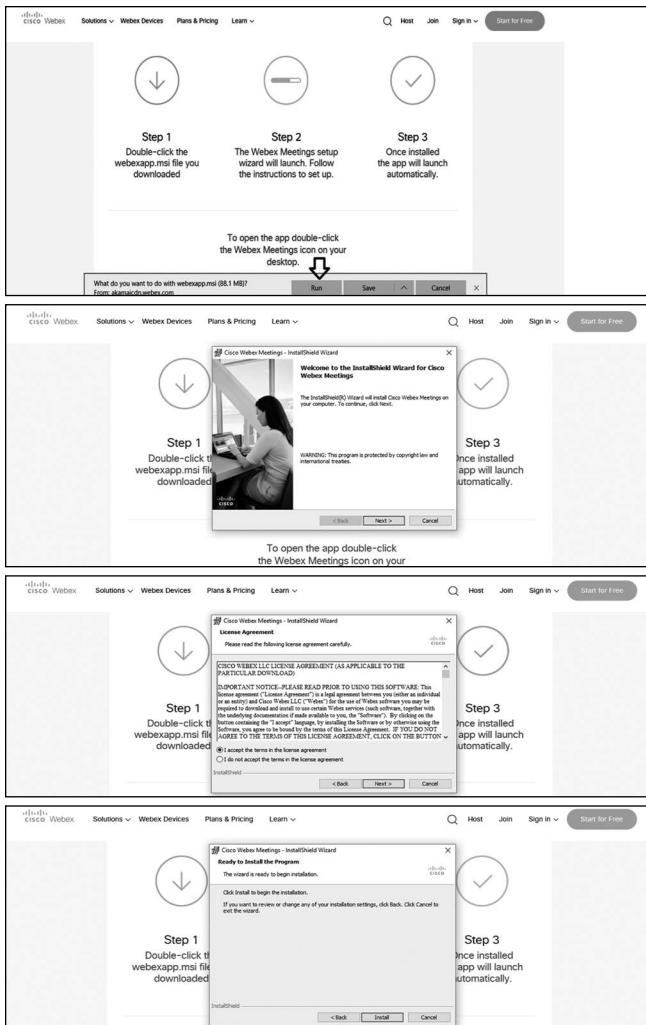
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

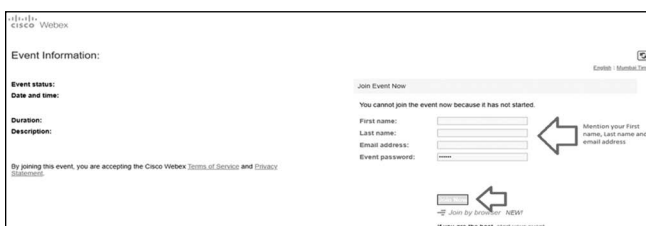




or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



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 21, 2021.

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

- 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 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.

Annexure I

Details of Director seeking appointment/reappointment

Disclosure required under Regulation 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 in respect of Directors seeking appointment/reappointment:

Particulars	Mr. Dev Kishan Chanda	Mrs. Rakhi Verma
DIN	00407123	07995132
Date of Birth(Age in years)	14-10-1948 (72 Years)	25-06-1970 (51 Years)
Date of Appointment	23-02-2021	18-11-2017
Qualification	Commerce Graduate	Commerce Graduate
Experience in specific functional areas	More than 53 years of rich experience in the field of accounting, marketing, export import, finance and other allied areas.	More than 27 years of rich experience in the field of Cost Management
Directorship held in other listed entities	NIL	NIL
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	NIL	Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee in SKPMIL.
Number of shares held in the Company	NIL	NIL
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)
Relationship with any Director(s)/ KMP of the Company	NIL	NIL
Number of Board Meeting attended during the year	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

The Board of Directors of the Company (based on the recommendation of Nomination and Remuneration Committee) in their meeting held on February 23, 2021 has appointed Mr. Dev Kishan Chanda as an Additional Director designated as Non-Executive Non Independent Director of the Company w.e.f. February 23, 2021 in terms of provisions of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, Mr. Dev Kishan Chanda can hold office upto the date of ensuing Annual General Meeting, and is eligible for appointment as Director. The Company has received a notice in writing under Section 160(1) of the Act proposing his candidature to be appointed as a Non-Executive Non- Independent Director of the Company. Consent to act as a Director as well as disclosure for non-disqualification as required under the Companies Act, 2013 have already been received from Mr. Dev Kishan Chanda. A copy of the draft letter for appointment of Mr. Dev Kishan Chanda setting out the terms and conditions of appointment and other relevant documents shall be available for inspection as per the instructions provided in the Note No. 13 of this Notice. He has more than 53 years of experience and his expertise in the area of project execution, planning, finance and business development will be valuable to our Company's Board.

Mr. Dev Kishan Chanda (DIN: 00407123), is not disqualified from being appointed as a 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 2020-21 are included in the Corporate Governance Report of the Annual Report.

None of the Directors/Key Managerial Personnel or their relatives except Mr. Dev Kishan Chanda (DIN: 00407123), is concerned or interested financially or otherwise is in the said resolution.

The Board of Directors of the Company recommends the resolution set out at Item No. 3 for approval of the Members as an Ordinary Resolution.

Disclosure under Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standard-2 issued by The Institute of Company Secretaries of India is annexed to this Notice of Annual General Meeting as Annexure I.

Item No. 4

It is proposed to enter into an agreement/contract/transaction with Govinda Power & Products Private Limited, a related party as per the provisions of the Companies Act, 2013, for sale & purchase transactions in respect of paper and other

allied products and/or receipt/payment of commission. The material terms and conditions are as follows:

Sr. No.	Particulars	Details
1	Name of the Related Party	Govinda Power & Products Private Limited
2	Nature of Relationship	Relatives of Managing Director are Director and Member in Govinda Power & Products Private Limited .
3	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Narendra Kumar Pasari, Managing Director of the Company. Mrs. Shilpa Pasari, spouse of Mr. Narendra Kumar Pasari holds 21.28% of paid-up Equity Share Capital of Govinda Power & Products Private Limited. Further, Mrs Shardha Pasari who is Son's wife of Mr. Narendra Kumar Pasari is Director of Govinda Power & Products Private Limited.
4	Nature, material terms, monetary value and particulars of the contract or arrangements	The Company shall enter into transaction with Govinda Power & Products Private Limited for purchase and/or sale of the paper and other allied products and/or receipt/payment of commission in accordance with the prices as may be agreed from time to time for value not exceeding ₹25,00,00,000/- (Rupees Twenty Five Crores only) per annum for period of ten (10) years commencing from April 01, 2021.
5	Any other information relevant or important for the members to take a decision on the proposed resolution	The above-mentioned transaction is in the ordinary course of business and at arm's length basis.

In terms of the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder, for entering into related party transactions where the transaction value exceed the thresholds prescribed, prior approval of the Shareholders by way ordinary resolution is required.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out at Item No. 4 for approval of the Members as an Ordinary Resolution.

Item No. 5

It is proposed to enter into an agreement/contract/transaction with Gopala Sales Private Limited, a related party as per the provisions of the Companies Act, 2013, for sale & purchase transactions in respect of paper and other allied products and/or receipt/payment of commission. The material terms and conditions are as follows:

Sr. No.	Particulars	Details
1	Name of the Related Party	Gopala Sales Private Limited
2	Nature of Relationship	Relatives of Managing Director are Directors and Member in Gopala Sales Private Limited.
3	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Narendra Kumar Pasari, Managing Director of the Company. Mr. Naynesh Pasari, son of Mr. Narendra Kumar Pasari holds 25.00 % of paid-up Equity Share Capital of Gopala Sales Private Limited. Further, Mrs Shilpa Pasari, spouse of Mr. Narendra Kumar Pasari and Mr. Naynesh Pasari, son of Mr. Narendra Kumar Pasari are Directors of Gopala Sales Private Limited.
4	Nature, material terms, monetary value and particulars of the contract or arrangements	The Company shall enter into transaction with Gopala Sales Private Limited for purchase and/or sale of the paper and other allied products and/or receipt/payment of commission in accordance with the prices as may be agreed from time to time for value not exceeding ₹25,00,00,000/- (Rupees Twenty Five Crores only) per annum for a period of ten (10) years commencing from April 01, 2021
5	Any other information relevant or important for the members to take a decision on the proposed resolution	The above-mentioned transaction is in the ordinary course of business and at arm's length basis.



In terms of the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder, for entering into related party transactions where the transaction value exceed the thresholds prescribed, prior approval of the Shareholders by way ordinary resolution is required.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out at Item No. 5 for approval of the Members as an Ordinary 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, 2022, at a remuneration of ₹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 2021-22 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 of Directors of the Company recommends the resolution set out at Item No. 6 for approval of the Members as an Ordinary Resolution.

Registered Office:
4830/24, Prahlad Street,
Ansari Road, Darya Ganj,
New Delhi-110002
CIN: L21012DL1972PLC279773
Tel: 91-11-46263200
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 12, 2021

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the 49th Annual Report and Audited Financial Statements of the Company for the financial year ended March 31, 2021.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended on March 31, 2021 is summarised below:

	2020-2021	2019-2020
Revenue from Operations (Net)	6,940.60	10,127.58
Profit/(Loss) before exceptional items and tax	(413.50)	(1,438.64)
Exceptional items	--	668.63
Profit / (Loss) before tax	(413.50)	(770.01)
Less: Tax expense	(86.06)	(233.41)
Profit / (Loss) for the year	(327.44)	(536.60)
Other Comprehensive Income	32.15	(55.74)
Total Comprehensive Income	(295.29)	(592.34)

During the year under review, the revenue from operations was ₹6,940.60 lakhs against ₹10,127.58 lakhs in the last financial year. The Company has incurred a loss of ₹ 413.50 lakhs against loss of ₹770.01 lakhs in previous year. The outbreak of Covid-19 pandemic has caused significant disturbance and slowdown of business operations of the Company in terms of sales and production. 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, 2021 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 COVID-19 breakdown has led to unprecedented socioeconomic disruption worldwide. The nation-wide stringent lockdown led to significant disturbance in the economic activity of the Country. The disruption in the supply chain, unavailability of the personnel, imposition of travel restrictions etc. have impacted the business operations. After the end of the lock down, the Company gradually started

its business operations with minimum workforce combined with work from home policy. As economic activities have started recovering with the removal of the lockdown and gradual relaxation in mobility restrictions, the Company is continuously leveraging the opportunities to increase penetration in the market.

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

In compliance with the provisions of Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company for the financial year ended March 31, 2021 has been hosted on the Company's website www.skpmil.com and web link for the same is: <http://www.skpmil.com/AnnualReport>

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Bishwanath Pasari (DIN: 00101519) one of our promoter Director has expired on September 16, 2020 due to ill health. The Company has immensely benefitted from his vision and leadership during his tenure as a Director of the Company.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee ('NRC') and in accordance with provisions of the Act and SEBI Listing Regulations, has appointed Mr. Dev Kishan Chanda (DIN:00407123) as an Additional and Non-Executive (Non Independent) Director on the Board w.e.f February 23, 2021, liable to retire by rotation, subject to the approval of Shareholders in the ensuing Annual General Meeting ('AGM'). The Board recommends his appointment as Non-Executive (Non Independent) Director.

Pursuant to the provisions of Section 152 of the Companies



Act, 2013 and the Articles of Association of the Company, Mrs. Rakhi Verma (DIN: 07995132) will retire by rotation at the 49th Annual General Meeting and being eligible, has offered herself for re-appointment.

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.

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, 2021 are: Mr. Narendra Kumar Pasari (DIN: 00101426) Managing Director, Mr. Sanjiv Kumar Agarwal, Chief Financial Officer and Ms. Ritika Priyam who act as Company Secretary & Compliance Officer of the Company.

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

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1) (b) 'the Listing Regulations'. There has been no change in the circumstances affecting their status as Independent Directors of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they have registered their names in the Independent Directors' Databank.

BOARD EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Act and Rule 8(4) of the Companies (Accounts) Rules, 2014, an annual performance evaluation was carried out by the Board of its own performance, Directors individually and Committees of the Board. Performance evaluation of the Board and Committees was done by the Board after seeking inputs from all Directors, inter-alia covering different criteria, viz. adequacy and composition of the Board, transparency, effectiveness of Board procedures, observance of governance and contributions of Directors at Board and Committee meetings. In evaluating the performance of individual Director, criteria such as leadership qualities, qualifications, analytical skills, knowledge, inter-personal relationships etc. was taken into consideration.

In compliance with Regulation 17(10) of the Listing Regulations, the Board carried out performance evaluation of Independent Directors without the participation of the Director being evaluated. The performance evaluation

was carried out based on parameters such as, initiative, contributions, independent judgement, understanding the business environment and understanding of strategic issues. There is no conflict of interest of Independent Directors with the Company.

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

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee has formulated a policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and senior management personnel, composition and the criteria for determining qualifications, positive attributes and independence of a Director. Nomination and Remuneration Policy is available on the Company's website at the link:

<http://www.skpmil.com/SKPDocuments/InvestorsDoc/20210816083053-Nomination%20and%20Remuneration%20Policy.pdf>

COMMITTEES OF THE BOARD

The Company has constituted various Committees of the Board as required under the Companies Act, 2013 and the Listing Regulations. For details like composition, number of meetings held, attendance of members, etc. of such Committees, please refer to the Corporate Governance Report which forms a part of this Annual Report.

MEETINGS OF THE BOARD

During the year under review, the Board of Directors met 15 times. For details of the meetings of the Board, please refer to the Corporate Governance Report which forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

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 Corporate Social Responsibility Policy as approved by the Board may be accessed on the Company's website at the link: <http://www.skpmil.com/SKPDocuments/InvestorsDoc/20210816083240-Corporate%20Social%20Responsibility%20Policy.pdf>

The Company was not required to incur any amount on CSR activities during the financial year 2020-21 due to losses. Accordingly, annual report on CSR activities for the



financial year 2020-21 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 not given.

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, 2021 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

Risk management framework helps in identifying the critical risks and focusing on emerging risks in the business environment. The risk assessment is done at regular intervals. The periodical review of risks helps the management to mitigate the risks by appropriate action.

INTERNAL FINANCIAL CONTROLS

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved

controls wherever the effect of such gaps could have a material effect on the Company's operations.

CURRENT OUTLOOK

With the improvement in situation and people now adopting to Covid-19 norms and environment, it is expected that the paper and paper products industry will witness an increase in sales backed by better paper demand. Reopening of educational institutions will also result in better demand of paper and paper products. With the increase in advertisement spends by the businesses and household circulation of newspaper return to normal level, the demand of paper and paper products is expected to improve. The paper and paper product industry is also likely to see price increases on account of returning higher demand. Pulp and Paper industry will continue to play a major role in the world.

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

As stipulated by Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, are given in 'Annexure-A' to this Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

The Members at the 48th Annual General Meeting (AGM) of the Company held on September 29, 2020 had appointed M/s. Radheshyam Sharma & Co., Chartered Accountants (Firm Registration No. 016172N) as the Statutory Auditor of the Company to hold office for a term of five years till the conclusion of the 53rd Annual General Meeting to be held in the year 2025.

Pursuant to the notification issued by the Ministry of Corporate Affairs on May 7, 2018 amending Section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted. Accordingly, the Notice of ensuing AGM does not include the proposal for seeking approval of members for ratification of appointment of Statutory Auditors of the Company.

The Auditors' Report on Financial Statements of the Company for the Financial Year 2020-21 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

In compliance with the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014 and as recommended by the Audit Committee, the Board of Directors approved the appointment of M/s Vijender Sharma & Co., Cost Accountants, Delhi (Firm Registration No. 00180) as the Cost Auditors of the Company to conduct cost audits for the year ending March 31, 2022. The Board on recommendations of the Audit Committee have approved the 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 payable to the Cost Auditor, subject to ratification of their remuneration by the Members at the forthcoming AGM. The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

The Cost Audit Report for the financial year ended on March 31, 2020 has been filed under XBRL mode within the stipulated time period.

Secretarial Auditors

As stipulated by Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director has appointed M/s. BLAK & Co., Practising Company Secretaries, New Delhi to conduct the Secretarial Audit of the Company for year ended March 31, 2021. The Report of the Secretarial Audit is annexed herewith as **Annexure - B**. The said Secretarial Audit Report does not contain any qualification, reservations, adverse remarks and disclaimer.

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 Company has adequate Internal Control and Internal Audit system commensurate with its size and nature of its Business. The Internal Audit report is reviewed by the audit committee from time to time.

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

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at www.skpmil.com.

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

The Audit Committee periodically reviews and approve all the related party transactions.

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.

Since all transactions which were entered into during the financial year 2020-21 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

Pursuant to Section 177 of the Act and Regulation 22 of the Listing Regulations, the Company has framed a Whistle Blower Policy and Vigil Mechanism. The Policy has been framed with a view to provide a mechanism, inter alia, enabling stakeholders including Directors, individual employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievances as also to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the Website of the Company at <http://www.skpmil.com/SKPDocuments/InvestorsDoc/20210816083029-Whistle%20Blower%20Policy.pdf>

CORPORATE GOVERNANCE

Your Company is committed to highest standard of Corporate Governance and Disclosure Practices to ensure that its affairs are managed in the best interest of all the stakeholders. A separate report on Management Discussion and Analysis and Corporate Governance along with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 and Schedule V to the SEBI (LODR) Regulations forms part of this Annual Report.



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

Your Company is committed to treat every employee with dignity and respect and has zero tolerance for sexual harassment at the workplace. Pursuant to the requirements under the prevention of sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a policy and duly constituted Internal Complaints Committees. During the year under review, no complaint relating to sexual harassment has been received. The policy has been posted on the Website of the Company at <http://www.skpmil.com/SKPDocuments/InvestorsDoc/20210816103633-Prevention%20of%20sexual%20harassment%20policy.pdf>.

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-C” to this Report.

CREDIT RATING

As on March 31, 2021, the long term credit rating of the Company was ‘IVR BB’ and short term rating was ‘IVR A4’. Further details are provided in Corporate Governance Report which forms part of this Annual 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. The 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.

6. During the year under review, no amount was required to be transferred to Investor Education and Protection Fund.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, banks, vendors, suppliers, customers, shareholders and all other stakeholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of all the employees at all levels.

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 12, 2021



ANNEXURE 'A'

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. Maintaining Power Factor at distribution level.
 2. Replacing aged inefficient Pumps with new energy efficient pumps.
 3. Replacing old AC units with new energy efficient units.
 4. Replacement of old lights with new LED luminous lights.
 5. Installation of Solar Lights for lighting around the compound walls.
- (ii) The steps taken by the company for utilising alternate sources of energy;
NIL
- (iii) The capital investment on energy conservation equipment;
NIL

(B) TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption;
 1. Five Stack Calendars are being incorporated to make new quality paper.
 2. Installed new Disperser with Pre-heater for increasing the production.
 3. New Pulper is being installed to increase the production capacity.
 4. New Conical Refiner is being installed to improve the quality of product and to save the energy.
 5. Installed flotation cell in DIP to achieve fiber and to increase yield.
- (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	:	₹ 203.88 lakhs
Outgo	:	₹ 1,344.67 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 12, 2021



ANNEXURE 'B'

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,
The Members,
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, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have 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, 2021 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) 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 pending since long.

During the Audit period under review, the Company has complied with provisions of the Act, Rules, Regulations, Guidelines, standard etc mentioned above.

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-A017865C000552102

Place: New Delhi

Date : 30/06/2021

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-A017865C000552102

Place: New Delhi

Date : 30/06/2021

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 'C (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 2020-21;

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	9.70 : 1.00

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2020-21;

S. No.	Name of Director/ KMP	Designation	Percentage increase in Remuneration of Directors/KMP
1	Mr. Narendra Kumar Pasari	Managing Director	6.98
2	Mr. Sanjiv Kumar Agarwal	Chief Financial Officer	-17.07
3	Ms. Ritika Priyam	Company Secretary	-67.55

- (iii) The percentage increase in the median remuneration of employees in the financial year 2020-21;

6.36

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

222 as on March 31, 2021

- (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. 2020-21 was -32.36 % whereas the managerial remuneration was increased by 6.98 % for the same financial year. During the year under review, there was salary reduction of all employees including managerial personnel due to COVID-19. Moreover, several employees including higher salary employees have left. However, the salary of managerial personnel was increased w.e.f. January 1, 2020 and impact of higher salary was for full year in this year while it was for three months in last year. Because of this, there is decrease in the salaries of employees other than the managerial personnel and increase in salary of managerial personnel.

- (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 'C (II)'

Statement showing the names and other particulars of the top ten employees in terms of remuneration drawn during the financial year 2020-21 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 (65 Years)	Managing Director	20.72	B. Com, 47 Years	11-03-1974	-
2	Ashok Kumar Sharma (71 Years)	Sr. Vice President (L &CA)	11.65	B.Sc., LL.B., 49 Years	05-04-2000	Jindal Photofilms Ltd.
3	Sanjiv Kumar Agarwal (52 Years)	Chief Financial Officer	11.19	B. Com, FCA, 29 Years	03-05-1993	Mehra Goel & Co.
4	Satish Paliwal (52 Years)	Vice President (Plant)	7.88	Diploma in Paper & Pulp, 31 Years	08-11-2005	ABC Paper Mills Limited
5	Dharambir Singh (52 Years)	DGM (Maintenance)	6.41	Diploma in Mechanical Engineering, 32 Years	13-01-2010	Rama News Print Limited
6	Man Singh (63 Years)	Sr. Manager (Sales)	5.95	Matriculation, 43 Years	01-08-1981	Bishwanath Industries Limited
7	Khirod Kumar Jena (58 Years)	Sr. Manager (Cutter & Rewinder)	5.67	Intermediate, 41 Years	05-03-2010	Manish Paper & Board Mills Ltd
8	Harish Chander (57 Years)	Chief Manager (Commercial)	5.48	B. Com, 37 Years	01-09-1984	-
9	Raj Singh Soam (52 Years)	Manager (Electrical)	5.24	B.Tech, 28 Years	01-11-2016	Harvest Gold Industries Pvt Ltd
10	Balwinder Singh (63 Years)	Manager (Boiler)	5.20	Diploma in Mechanical Engineering, 40 Years	17-08-2015	Shree Shyam Pulp & Board Mills Ltd

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

Place: New Delhi
Date: August 12, 2021

Rakhi Verma
Director
DIN: 07995132

Narendra Kumar Pasari
Managing Director
DIN: 00101426



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Paper industry is one of the most flourishing and thriving industries of India. It is one of the core industries and is linked to the basic human needs. Paper is the pre-requisite for education and literacy and its use is an index of advancement in these two fields as well as the overall wellbeing of the society. The per capita paper consumption in India is a little over 13 kg, which is way behind the global average of 57 kg. Paper manufacturing has been carried on in India since tenth century. The Indian paper industry has evolved to a great extent because of strong economic growth and the increasing demand for paper. The growth in the Indian paper industry is largely dependent on the growth rate of the economy.

OPPORTUNITIES AND THREATS

The Indian market for paper is the fastest growing paper market in the world. India's paper consumption will increase as the economy grows. With the spread of education and literacy, demand for paper is bound to increase. The Indian paper manufacturing sector is likely to grow as many FMCG companies are choosing eco-friendly sustainable packaging. The changing lifestyle of the people in India is also contributing towards growth of the industry. The increasing literacy rate along with the rising number and circulation of newspapers and magazines is expected to push the demand for newsprint paper.

The Indian paper industry has been under a great deal of stress beginning from March 2020, however, the recovery was seen for a couple of months in the latter part of 2020, after some balancing on trade globally but then again it was hit by the second wave of COVID. The paper industry is facing a huge crisis as supply of primary raw material i.e. waste paper has been affected due to the Covid-19 pandemic. As a result of this shortage, waste paper prices have been increased a lot.

OUTLOOK

With the improvement in situation and people now adopting to Covid-19 norms and environment, it is expected that the paper and paper products industry will witness an increase in sales backed by better paper demand. Reopening of educational institutions will also result in better demand of paper and paper products. With the increase in advertisement spends by the businesses and household circulation of newspaper return to normal level, the demand of paper and paper products is expected to improve. The paper and paper product industry is also likely to see price increases on account of returning higher demand. Pulp and Paper industry will continue to play a major role in the world.

RISKS & CONCERNS

The COVID-19 pandemic has created uncertainty and many challenges. Lockdowns have impacted operations, supply chains including raw material supplies, logistical bottlenecks and dampened demand due to slowdown in marketing activities. The company continues to monitor the situation and adapting the response to minimize the impact on employees, customers, and other stakeholders. Risks are inherent to the business and the Company has in place a risk management framework which adopts appropriate risk mitigation measures for identified risks across functions

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal controls, appropriate to the nature and size of the business, and commensurate with the scale and complexity of its operations. Such stringent and detailed controls ensure the effective and productive use of resources, to the degree that the Company's assets and interests are safeguarded, transactions are approved, registered and properly reported. Internal controls are regularly tested for design, implementation and operating effectiveness. 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's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013.

FINANCIAL PERFORMANCE

During the year under review, the revenue from operations was ₹6,940.60 lakhs against ₹10,127.58 lakhs in the last financial year. The Company has incurred a loss of ₹413.50 lakhs against loss of ₹770.01 lakhs in previous year. The outbreak of Covid-19 pandemic has caused significant disturbance and slowdown of business operations of the Company in terms of sales and production. The Directors expect to recover from the situation at the earliest and are hopeful for better performance during the current year.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company strongly believes that human resources are its invaluable assets. The Company recognizes the need for talent management throughout the business and its criticality to future growth and success. A significant emphasis is placed on training personnel and increasing their skill levels. The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. 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 222 as at March 31, 2021.

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	2020-21	2019-20
Price Earnings Ratio	(6.26)	(6.83)
Debtors Turnover Ratio	6.08	6.75
Inventory Turnover Ratio*	4.20	6.23
Interest Coverage Ratio**	(0.36)	(1.76)
Current Ratio	0.73	0.80
Debt Equity Ratio	2.66	2.62
Operating Profit Margin (%)***	(1.58)	(4.85)
Net Profit Margin (%)	(4.72)	(5.30)
Return on Net Worth	(0.24)	(0.31)

Reason for significant change:

- * Inventory turnover ratio has been decreased due to significant decrease in the cost of goods sold while there was no corresponding decrease in the level of inventory.
- ** Interest Coverage Ratio has been improved due to improvement in EBIT as compared to last year.
- *** Operating Profit Margin is still in negative but there is slightly improvement because of reduction in losses suffered by the Company during the year.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing our objective, projections, estimates and expectations may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference include, among others, economic conditions affecting demand/supply and price conditions in the markets in which we operate, changes in government regulations, tax laws and other statutes and incidental factors.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition.

Your Company is in compliance with the requirements of Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations".

2. BOARD OF DIRECTORS

i) Board Structure

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with Regulation 17 of Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors as at the end of March 31, 2021, 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, 2021, in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred as "(LODR) Regulations") and Companies Act, 2013.

As per the declarations received by the Company from each

of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

Each Director brings to the Board domain knowledge on different aspects/functions in accordance with the Company's policy on Board diversity. The Board provides strategic guidance to the Company management and ensures effective monitoring of the management and corporate governance practices. During the year there is change in composition of Board of Directors as Mr. Dev Kishan Chanda has joined the Board as Non-Executive Non Independent Director in place of Mr. Bishwanath Pasari who has expired on September 16, 2020 due to ill health. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies. The composition of the Board is in line with Regulation 17 of Listing Regulations. None of the Directors on the Board is a Member on more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he/she is a Director.

Independent Directors

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the Listing Regulations and the Governance Guidelines for Board effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed.

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

No Independent Director has resigned during the financial year 2020-21.

The details of composition of the Board as on March 31, 2021, the attendance record of the Directors at the Board Meetings held during financial year 2020-21 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	At-attendance at last AGM	No. of shares held by Non-Executive Directors (as on 31.03.2021)
		Directorship	Committee [§]				
			Member	Chairman			
Mr. Narendra Kumar Pasari (Managing Director)	ED (P)	1	-	-	15	Yes	N.A.
Mr. Bishwanath Pasari*	NED (P)	4	1	-	1	No	200
Mr. Dev Kishan Chanda**	NED	3	-	-	2	No	-
Mr. Lal Chand Sharma	NED (I)	5	-	-	5	No	-
Mr. Prakash Narayan Singh	NED (I)	2	-	-	15	Yes	-
Mr. Rajesh Mujoo	NED (I)	-	-	-	11	No	-
Mrs. Rakhi Verma	NED	-	-	-	15	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)

* Expired on September 16, 2020 due to ill health.

** Appointed as Additional Director w.e.f. February 23, 2021.

ii) Meetings of Board of Directors

The Board meets at regular intervals to discuss and decide on Company's business policies and strategy apart from other regular business matters. Board Meetings are usually held at the Corporate Office of the Company at Delhi. During the financial year ended on March 31, 2021, fifteen meetings of the Board of Directors were held on May 27, 2020, June 18, 2020, July 23, 2020, August 17, 2020, August 26, 2020, September 08, 2020, September 21, 2020, November 10, 2020, December 16, 2020, December 31, 2020, January 27, 2021, February 09, 2021, February 23, 2021, March 13, 2021 and March 31, 2021. Maximum time gap between two consecutive meetings had not exceeded 120 days.

The agenda and notes are circulated to the Directors in advance. All material information is included in the agenda for facilitating meaningful discussions at the meeting. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

The information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available periodically to the Board. The Board periodically reviews the compliance status of the Company.

iii) Board Membership Criteria/Skills

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

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

- Leadership / Operational experience
- Strategic Planning
- Global Business

- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

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

S.No	Name	DIN	Skills/Expertise/Competencies				
			Leadership / Operational experience	Strategy Planning	Global Business	Finance and Legal	Corporate Governance
1	Mr. Narendra Kumar Pasari	00101426	✓	✓	✓	✓	✓
2	Mr. Bishwanath Pasari*	00101519	✓	✓	-	-	-
3	Mr. Dev Kishan Chanda**	00407123	✓	✓	✓	-	✓
4	Mr. Lal Chand Sharma	00196158	✓	-	-	✓	✓
5	Mr. Prakash Narayan Singh	00076392	✓	✓	✓	✓	✓
6	Mr. Rajesh Mujoo	07751945	✓	-	-	-	✓
7	Mrs. Rakhi Verma	07995132	✓	✓	-	-	✓

*Expired on September 16, 2020 due to ill health

**Appointed as Additional Director w.e.f. February 23, 2021.

iv) Performance evaluation

The Board evaluated the effectiveness of its functioning, of the committees and of individual Directors, pursuant to the provisions of the Act and the SEBI Listing Regulations. The performance was evaluated after seeking inputs from all the Directors on various parameters including fulfilment of key responsibilities towards stakeholders, Board composition and structure, coordination between Board and its Committees, effectiveness of process management etc. Further, in a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated as stipulated under the SEBI Listing Regulations.

v) Appointment and Separate Meeting of Independent Directors

As required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations, a separate meeting of Independent Directors of the Company was held on February 09, 2021 without the presence of any Non Independent Director and members of the management. Mr. Rajesh Mujoo was unanimously elected as Chairman of the meeting and all the three Independent Directors of the Company were present at the said meeting.

vi) Familiarisation Programme for Independent Directors

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, etc., through various programmes. Periodic presentations are also made on various aspects of the Company's operations including on Health and Safety, Sustainability, Performance updates of the Company, Industry Scenario, Business Strategy, Internal Control and risks involved and Mitigation Plan.

The details of the familiarisation programme for Directors are available on the Company's website at <http://www.skpmil.com/SKPDocuments/InvestorsDoc/20210816083152-Familiarization%20Programme%20for%20Independent%20Directors.pdf>.



3. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Company has a qualified and independent Audit Committee comprising of three Non-Executive Independent Directors, constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

Details on composition of the Audit Committee and the attendance by each member of the Audit Committee are as under:

Sr. No.	Name	Status	Category	No. of Meetings attended
1	Mr. Prakash Narayan Singh	Chairman	NED (I)	6
2	Mr. Lal Chand Sharma	Member	NED (I)	4
3	Mr. Rajesh Mujoo	Member	NED (I)	6

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

All the members of the Audit Committee are financially literate and have expertise in accounting / financial management. The Company Secretary of the Company acts as the Secretary of the said Committee.

Meeting and Attendance:

The Audit Committee met 6 times during the previous year, with a gap not exceeding one hundred and twenty days between any two meetings. The said committee met at the following dates:

Sr. No.	Date of Audit Committee Meeting	Total strength of committee	Attendance
1	May 27, 2020	3	2
2	July 23, 2020	3	3
3	September 08, 2020	3	3
4	November 10, 2020	3	3
5	December 31, 2020	3	2
6	February 09, 2021	3	3

The necessary quorum was present at the meetings.

Role of the Audit Committee:

The brief terms of reference of the Audit Committee include the followings:

- 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 Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013. The Committee regularly reviews activities pertaining to investor services. The composition of the Stakeholders Relationship Committee and the attendance of each member of the said Committee are as under:

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

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

NED - Non-Executive Director

Meeting and Attendance:

The Stakeholder Relationship Committee met 3(Three) times during the financial year 2020-21. The number 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	September 08, 2020	3	3
2	November 10, 2020	3	3
3	February 09, 2021	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 dividend, 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 2020-21:

- 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, 2021: Nil (other than those which are under litigation, disputes or court orders).

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013. The composition, names of members, chairperson, status and number of the meetings during the financial year ended on March 31, 2021 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 Nomination and Remuneration Committee met 4 (four) times during the financial year 2020-21. 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	September 08, 2020	3	3
2	November 10, 2020	3	3
3	February 09, 2021	3	3
4	February 23, 2021	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

6. REMUNERATION TO DIRECTORS

(i) 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 are available on the website of the Company: www.skpmil.com

(ii) **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.

(iii) Remuneration to Managing Director

The detail of remuneration paid to Mr. Narendra Kumar Pasari, Managing Director during the financial year ended March 31, 2021 is as under:

(Amount in ₹)

Basic Salary	HRA	Perquisites	Bonus	Contribution to PF	Others	Total
10,96,614	5,48,306	39,600	93,713	1,31,594	1,62,500	20,72,327

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act 2013, the Company has constituted Corporate Social Responsibility (CSR) Committee. The composition, names of members and details of members during the financial year 2020-21 are as under:

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

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

NED - Non-Executive Director

Meeting and Attendance:

The Corporate Social Responsibility Committee met 3 (three) times during the financial year 2020-21. 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	September 08, 2020	3	3
2	November 10, 2020	3	3
3	February 09, 2021	3	3

Role of the Committee:

1. 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;
2. Recommend the amount of expenditure to be incurred on activities to be undertaken by the Company;
3. Review and monitor the CSR policy of the Company and its implementation from time to time;
4. 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

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

9. RECONCILIATION OF SHARE CAPITAL

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total admitted capital with the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and those held in physical form with the total issued, paid-up and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the number of shares issued, listed on the Stock Exchange and that held in demat and physical mode are in agreement with each other.

10. CEO/CFO CERTIFICATION

As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Managing Director and Chief Financial Officer have given appropriate annual certificate on financial reporting and internal control to the Board, the copy of which is attached to this report.

The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

11. CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted Code of Conduct with a view to promote good corporate governance and exemplary personal

conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code can be accessed on the Company's website at 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, 2021.

The Declaration of compliance of the Code of Conduct in terms of Schedule V (D) and in terms of regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this 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
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.
29-09-2020 10:30 a.m.	Video Conference	1. Re- appointment of Mr. Prakash Narayan Singh (DIN: 00076392) as a Non-Executive Independent Director on the Board of the Company to hold office for a second term. 2. Re-appointment of Mr. Lal Chand Sharma (DIN: 00196158) as a Non-Executive Independent Director on the Board of the Company to hold office for a second term.

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

The Company recognizes communication as a key element and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

I. Quarterly Results:

The quarterly / half-yearly / annual financial results are duly submitted to BSE after these are approved by the Board and are published in Business Standard (both English & Hindi). The results are also available on the website of the Company.

II. Website:

The Company's website (www.skpmil.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

III. Intimation to Stock Exchange:

All periodical informations, including the statutory filings and disclosures, are filed with BSE. The filings required to be made under the Listing Regulations, including the Shareholding



pattern and Corporate Governance Report for each quarter are also filed on BSE listing centre.

IV. Annual Report:

The Annual Report containing, inter alia, Audited Financial Statement, Board’s Report, Auditors’ Report and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company.

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

In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (‘MCA’) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and January 13, 2021 (collectively referred to as ‘MCA Circulars’) and SEBI Circular dated May 12, 2020 and January 15, 2021 (collectively referred to as ‘SEBI Circulars’) permitted the holding of the Annual General Meeting through video-conferencing / other audio visual means (‘VC / OAVM’), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the 49th AGM of the Company is being held through VC / OAVM. For details please refer to the Notice this AGM.

Date : September 28, 2021
 Day : Tuesday
 Time : 11.00 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) Financial Calendar (Tentative)

Board Meeting to take on record	Schedule
Results for the	
* Quarter ending June 30, 2021	On or before August 14, 2021
* Quarter ending September 30, 2021	On or before November 14, 2021
* Quarter ending December 31, 2021	On or before February 14, 2022
* Quarter ending March 31, 2022	On or before May 30, 2022

v) Book Closure Date

September 22, 2021 to September 28, 2021 (both days inclusive).

vi) 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
BSE Limited 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: The listing fees of BSE for FY 2021-22 has been paid within the due date.

vii) 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 2020	27.00	27.00	33,887.25	27,500.79
May 2020	28.35	27.00	32,845.48	29,968.45
June 2020	--	--	35,706.55	32,348.10
July 2020	28.35	28.35	38,617.03	34,927.20
August 2020	28.00	28.00	40,010.17	36,911.23
September 2020	--	--	39,359.51	36,495.98
October 2020	26.60	22.85	41,048.05	38,410.20
November 2020	21.75	21.75	44,825.37	39,334.92
December 2020	21.75	13.80	47,896.97	44,118.10
January 2021	19.11	12.00	50,184.01	46,160.46
February 2021	21.40	14.20	52,516.76	46,433.65
March 2021	15.15	12.92	51,821.84	48,236.35

Source: www.bseindia.com

viii) Code of conduct for prohibition of insider trading

Pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, (Regulations), the Company has adopted a Code of Conduct which is applicable to designated persons and their immediate dependent relatives, elaborately prescribes the procedures to be followed while dealing in shares of the Company. They are also prohibited from dealing in shares of the Company during the trading window closure periods announced by the Company in compliance with the Regulations.

The Company has also adopted the ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information’ as envisaged by the Regulations, which is hosted on the Company’s website. The Code restricts designated persons in dealing with the shares of the Company while in the possession of any unpublished price sensitive information. This Code is displayed on the Company’s website viz. www.skpmil.com.

ix) SEBI Complaints Redress System (SCORES)

Investor complaints are processed at SEBI in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned



companies and online viewing by investors of actions taken on the complaints and their current status. The complaints are closed to the satisfaction of the shareholders and SEBI. During the financial year 2020-21, no shareholder's complaint was received on SCORES by the Company.

x) Registrar and Share Transfer Agents

All works 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:

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

xi) Share Transfer System

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained, on half-yearly basis, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub-division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the Listing Regulations read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/59, dated April 13, 2020. These certificates were duly filed with the Stock Exchanges.

xii) Pending Share Transfers

No share transfers were pending as on March 31, 2021.

xiii) Distribution of Shareholding

The distribution of shareholding as on March 31, 2021 was as under:

Shareholding of Shares	Number of Shareholders	%	Number of shares	%
1 to 500	1122	83.67	1,90,886	1.41
501 to 1000	128	9.54	1,07,818	0.80
1001 to 2000	41	3.06	61,406	0.46
2001 to 3000	14	1.04	35,738	0.26
3001 to 4000	8	0.60	27,497	0.20
4001 to 5000	6	0.45	27,349	0.20
5001 to 10000	1	0.07	7,300	0.06
10001 & above	21	1.57	1,30,63,686	96.61
Total	1,341	100.00	1,35,21,680	100.00

Shareholding pattern as on March 31, 2021

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		57,10,680	42.23
(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		78,11,000	57.77
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
Total (A+B+C)		1,35,21,680	100.00

xiv) 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, 2021, a total of 30,45,953 Equity Shares representing 22.53% 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

xv) Outstanding GDRs/ADRs /Warrants etc

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2021.

xvi) 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, 2021 are disclosed in Note No. 54 of Notes to Financial Statement. The Company does not indulge in commodity hedging activities.

xvii) Credit Rating

Last year credit rating of the Company was done by India Rating & Research Pvt. Ltd. and long term rating was 'IND BB+' while short term rating was 'IND A4+'. During the year under review, credit rating of the Company was done by Infomeric Valuation and Ratings Pvt. Ltd., New Delhi in September, 2020 and the rating is as under:-

Long-Term Rating: IVR BB

Short-Term Rating: IVR A4

xviii) Plant Location

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

xix) 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
E-mail ID: cs@skpmil.com, info@skpmil.com
Website: www.skpmil.com



15. DISCLOSURES

- a) All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the Financial Year 2020-21 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link: <http://www.skpmil.com/SKPDocuments/InvestorsDoc/20210816083217-Policy%20for%20determination%20of%20materiality%20of%20events%20and%20information.pdf>. The details of the related party transactions during the year have been provided in Note No.55 of Notes to Financial Statement.
- b) The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last few years. No penalty or strictures were imposed on the Company by any of these authorities except one case of penalty of Rs.5,42,800/- (including GST) imposed by BSE for non-compliance of Regulation 17(1)(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 for the quarter ended 31/12/2020. The penalty has not been paid by the Company and has submitted its reply for waiver off penalty as the case falls under Carve Out Policy and SOP Circular of SEBI. None of the Company's listed securities is suspended from trading.
- c) The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been disclosed on the website of the Company at the link: 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 has been obtained. 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, the Board has accepted all the recommendations of its Committees.
- 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) Before the death of one of the Director Mr. Bishwanath Pasari, there was an inter-se relationship between two Directors of the Company i.e Mr Narendra Kumar Pasari and Mr Bishwanath Pasari. Mr. Narendra Kumar Pasari, Managing Director of the Company is the son of Late 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 has duly complied with the 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, 2021.
- m) Certificate from Statutory Auditor of the Company regarding compliance of conditions of Corporate Governance is annexed herewith to the report on Corporate Governance in this Annual Report.
- n) Pursuant to section 101 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended, the Company can send Notice of Annual General Meeting, financial statements and other Communication in electronics forms. The Company is sending the Annual Report including the Notice of Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report along with their annexure etc. for the financial year 2020-21 in the electronic mode to the shareholders who have registered their e-mail ids with the Company and/or their respective Depository Participates (DPs).
- Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar and Share Transfer Agent "Linkin Time India Private Limited".



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, 2021, 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: June 30, 2021

CA Radheshyam Sharma
Proprietor
Membership No. 097127
UDIN: 21097127AAAAFJ4285

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, 2021, 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: June 30, 2021

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, 2021 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: June 30, 2021



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 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) 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 31st March, 2021 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	DEV KISHAN CHANDA	00407123	23/02/2021
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: 30/06/2021

For **BLAK & Co.**
Company secretaries

(Archana Bansal)
(Mg. Partner)

M.NO.- A17865

COP -11714

UDIN-A017865C000552058



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, 2021, 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, 2021, 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>Appropriateness of the carrying amount of trade receivables (Unsecured & Considered Good) at amortized cost (Refer Note – 13 to the financial statements)</p> <p>Trade receivables aggregating to ₹818.48 lakhs as at March 31, 2021 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> <p>-- 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.</p> <p>-- 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.</p> <p>-- Performing alternative audit procedures include examining specific subsequent cash receipts, transport documentation, and sales near the period-end.</p> <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.

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 read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information

and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its 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; refer note no 58 of the financial statements.
 - 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: 21097127AAAAFK8472

Place: New Delhi
Date: June 30, 2021



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 Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on verification of the fixed assets.
- (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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, 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, 2021 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)
Sub Registrar, Kotputli	Land Tax	7.81	2020-2021	Appellate Authority, Jaipur
BSE Limited	Penalty	5.43	February 2021	BSE Limited

*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, 2021.

The Company does not have any loan or borrowings from the other financial institution or Government, nor has the Company issued any debentures.



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:

- (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 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 and hence, reporting under para 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash 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: 21097127AAAAFK8472

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, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

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

Place: New Delhi

Date: June 30 2021



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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Radheshyam Sharma
Proprietor
Membership No.097127
UDIN: 21097127AAAAFK8472

Place: New Delhi
Date: June 30, 2021

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	5 (a)	3,114.59	3,271.97
(b) Capital work-in-progress	5 (b)	255.62	178.71
(c) Financial Assets			
(i) Investments	6	162.63	164.37
(ii) Trade receivables	7	-	-
(iii) Loans	8	253.90	253.90
(iv) Other financial assets	9	3.66	24.64
(d) Deferred tax assets (net)	10	650.68	564.16
(e) Other non-current assets	11	60.32	95.73
Total non-current assets		<u>4,501.40</u>	<u>4,553.48</u>
(2) Current assets			
(a) Inventories	12	1,543.59	1,632.11
(b) Financial Assets			
(i) Trade receivables	13	818.48	1,464.92
(ii) Cash and cash equivalents	14	67.46	70.31
(iii) Bank balances other than (ii) above	15	183.59	155.45
(iv) Other financial assets	16	28.92	30.14
(c) Current Tax Assets (Net)	17	14.94	13.35
(d) Other current assets	18	413.65	646.82
Total current assets		<u>3,070.63</u>	<u>4,013.10</u>
(3) Assets held for sale	19	148.86	148.86
Total Assets		<u>7,720.89</u>	<u>8,715.44</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	1,352.17	1,352.17
(b) Other Equity	21	757.86	1,053.15
Total equity		<u>2,110.03</u>	<u>2,405.32</u>
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	445.65	357.23
(ii) Trade payables	23		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises;		108.23	50.85
(iii) Other financial liabilities	24	121.87	126.34
(b) Provisions	25	121.22	149.61
Total non-current liabilities		<u>796.97</u>	<u>684.03</u>
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	1,657.54	1,686.14
(ii) Trade payables	27		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises;		1,875.53	2,601.55
(iii) Other financial liabilities	28	531.84	505.89
(b) Other current liabilities	29	123.08	207.14
(c) Provisions	30	5.90	5.37
Total current liabilities		<u>4,193.89</u>	<u>5,006.09</u>
(3) Liabilities against assets held for sale	31	620.00	620.00
Total Equity and Liabilities		<u>7,720.89</u>	<u>8,715.44</u>
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: June 30, 2021

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: June 30, 2021

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	(₹ in Lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
I) Revenue From Operations	32	6,940.60	10,127.58
II) Other Income	33	43.28	222.14
III) Total Income (I + II)		<u>6,983.88</u>	<u>10,349.72</u>
IV) EXPENSES			
Cost of materials consumed	34	3,590.58	5,922.66
Changes in inventories of finished goods, stock-in -trade and work-in-progress	35	(38.18)	(16.90)
Employee benefits expense	36	542.68	877.72
Finance costs	37	356.17	909.23
Depreciation and amortization expense	38	381.72	367.44
Other expenses	39	2,564.41	3,728.21
Total expenses (IV)		<u>7,397.38</u>	<u>11,788.36</u>
V) Profit/(loss) before exceptional items and tax (III - IV)		(413.50)	(1,438.64)
VI) Exceptional items	40	-	668.63
VII) Profit/(loss) before tax (V + VI)		(413.50)	(770.01)
VIII) Tax expense			
- Current tax		-	-
- Deferred tax		(86.06)	(237.10)
- Income tax adjustment for earlier years		-	3.69
Total tax expense (VIII)	41 (a)	<u>(86.06)</u>	<u>(233.41)</u>
IX) Profit/(loss) for the year (VII - VIII)		(327.44)	(536.60)
X) Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		33.43	8.69
(ii) Income tax relating to items that will not be reclassified to profit or loss	41 (b)	-	-
B (i) Items that will be reclassified to profit or loss		(1.73)	(44.08)
(ii) Income tax relating to items that will be reclassified to profit or loss	41 (b)	0.45	(20.35)
Total Other Comprehensive Income (X)		<u>32.15</u>	<u>(55.74)</u>
XI) Total Comprehensive Income for the year (IX + X) (comprising profit (loss) and other comprehensive income for the year)		<u>(295.29)</u>	<u>(592.34)</u>
XII) Earnings per equity share (face value of ₹ 10/- each)			
(1) Basic (in ₹)	42	(2.42)	(3.97)
(2) Diluted (in ₹)	42	(2.42)	(3.97)
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: June 30, 2021

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: June 30, 2021

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

	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before exceptional items and tax	(413.51)	(1,438.64)
Adjustments for :		
Depreciation and amortization expense	381.71	367.44
Finance costs	303.58	879.10
Net gain on sale of property, plant and equipment	-	(668.63)
Interest income	(20.27)	(25.03)
Other non-operating income	(8.06)	(178.97)
Re-measurement of net defined benefit plans	33.44	8.69
Re-measurement of fair value of investment unlisted shares	(1.73)	(44.08)
Unrealised foreign exchange gain (net)	(7.93)	(18.14)
Provision for doubtful debts recovered (net)	15.29	0.50
Provision of ECL	(7.02)	10.56
Excess provision w/back	-	(3.69)
Operating profit before working capital changes	275.50	(1,110.89)
Adjustments for :		
Inventories	88.52	19.13
Trade and other receivables	873.16	196.97
Trade and other payables	(733.60)	915.18
Cash from operating activities	503.58	20.39
Income tax paid (net of refunds)	(1.59)	(9.60)
Cash flow before exceptional items	501.99	10.79
Exceptional items		
Exceptional Items	-	668.63
Net cash generated/(used in) operating activities	501.99	679.42
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(320.66)	(460.64)
Sale proceed of property, plant and equipment	-	710.00
Proceed from property, plant and equipment held for sale	-	20.00
Interest received	21.17	23.70
Adjustments for :		
Creditors for capital goods	(48.18)	(73.78)
Capital advances	35.41	(4.51)
Fixed deposits with banks	(6.91)	1.71
Net cash generated/(used in) investing activities	(319.17)	216.48
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	88.42	22.45
Repayment of long- term borrowings	63.04	0.99
Short-term borrowings (net)	(28.60)	(123.24)
Interest paid	(308.53)	(874.01)
Net cash used in financing activities	(185.67)	(973.81)
Net (decrease)/ increase in cash and cash equivalents	(2.85)	(77.91)
Opening balance of cash and cash equivalents	70.31	148.22
Closing balance of cash and cash equivalents	67.46	70.31
(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 & Co.

Firm Registration No. 016172N

Chartered Accountants

CA Radheshyam Sharma

Proprietor

Membership No. 097127

Place: New Delhi

Date: June 30, 2021

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: June 30, 2021

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021****A. EQUITY SHARE CAPITAL**

Equity share capital (face value of ₹10/- each)	2020-2021		2019-2020	
	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	1,352.17
Changes 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. 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, 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
Total Comprehensive Income for the year	-	-	-	(536.60)	8.69	(64.43)	(592.34)
Balance as at March 31, 2020	22.97	565.49	500.00	(204.90)	48.86	120.73	1,053.15
Profit/(loss) for the year	-	-	-	(327.44)	-	-	(327.44)
Re-measurement of investments (unquoted)	-	-	-	-	-	(1.28)	(1.28)
Actuarial gain/(loss) during the year	-	-	-	-	33.43	-	33.43
Total Comprehensive Income for the year	-	-	-	(327.44)	33.43	(1.28)	(295.29)
Balance as at March 31, 2021	22.97	565.49	500.00	(532.34)	82.29	119.45	757.86

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

For and on behalf of the Board of Directors of
Shree Krishna Paper Mills & Industries Limited**Sanjiv Kumar Agarwal**
Chief Financial Officer**Narendra Kumar Pasari**
Managing Director
DIN : 00101426**Ritika Priyam**
Company Secretary
Membership No. A53502**Rakhi Verma**
Director
DIN : 07995132Place: New Delhi
Date: June 30, 2021Place: New Delhi
Date: June 30, 2021



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 engaged in the manufacturing and selling of various quality of paper and paper products. 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 June 30, 2021.

2. CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 01, 2021.

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, 2021

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, 2021

- 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 twelve 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, 2021

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 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. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. 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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

revenue. The specific recognition criteria described below must also be met before revenue is recognized:

- 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.
- iii) Dividend Income is recognised when the Company's right to receive the amount has been established.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

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. 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 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

(iii) 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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

R. 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 twelve 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

S. GOVERNMENT GRANTS

Government grants are recognised when there is a reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

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, 2021****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
Gross carrying amount								
As at April 1, 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	-	0.24	5.48	845.07
Deductions/Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2020	174.94	1,386.34	8,397.65	38.80	146.75	55.72	71.49	10,271.69
As at April 01, 2020	174.94	1,386.34	8,397.65	38.80	146.75	55.72	71.49	10,271.69
Additions	-	-	222.34	-	-	0.58	1.42	224.34
Deductions/Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2021	174.94	1,386.34	8,619.99	38.80	146.75	56.30	72.91	10,496.03
Accumulated depreciations:								
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	-	-	-	-	-	-	-	-
As at March 31, 2020	31.72	499.64	6,270.92	22.61	62.23	49.91	62.69	6,999.72
As at April 1, 2020	31.72	499.64	6,270.92	22.61	62.23	49.91	62.69	6,999.72
Additions	1.77	43.71	316.38	1.66	15.68	1.13	1.39	381.72
Deductions/Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2021	33.49	543.35	6,587.30	24.27	77.91	51.04	64.08	7,381.44
Net Block								
As at April 1, 2019	145.00	871.15	1,648.09	17.74	100.75	6.98	4.63	2,794.34
As at March 31, 2020	143.22	886.70	2,126.73	16.19	84.52	5.81	8.80	3,271.97
As at March 31, 2021	141.45	842.99	2,032.69	14.53	68.84	5.26	8.83	3,114.59

(b) Capital work-in-progress

(₹ in Lakhs)

As at March 31, 2020	
Plant and Equipment under erection	178.71
Buildings under construction	-
	178.71
As at March 31, 2021	
Plant and Equipment under erection	255.62
Buildings under construction	-
	255.62

Notes:

- Addition in Plant and Equipment includes gain of ₹ 5.64 lakhs (March 31, 2020 loss of ₹ 0.61 lakhs) on account of foreign exchange difference during the year.
- Refer note no. 44 (II) for details of contractual commitments.
- Refer note no. 22 (b) and 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, 2021

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
6) NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investments in Equity instruments (fully paid)		
Quoted		
Investments at fair value through profit or loss		
300 (March 31, 2020: 300) Equity Shares of ₹10/- each of Sarda Papers Ltd.	0.01	0.02
300 (March 31, 2020: 300) Equity Shares of ₹10/- each of Soma Papers & Industries Ltd.*	-	-
Un-quoted		
Investment carried at fair value through other comprehensive income		
20,990 (March 31, 2020: 20,990) Equity shares of ₹10/- each of Bishwanath Industries Ltd.	162.62	164.35
	162.63	164.37
*Trading is suspended by Bombay Stock Exchange (BSE Ltd.)		
Aggregate amount of quoted investments ₹0.01 lakhs (March 31, 2020 ₹0.02 lakhs)		
Aggregate market value of quoted investments ₹0.01 lakhs (March 31, 2020 ₹0.02 lakhs)		
Aggregate amount of un-quoted investments ₹162.62 lakhs (March 31, 2020 ₹164.35 lakhs)		
7) NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables - credit impaired	4.81	4.81
	4.81	4.81
Less: Loss allowance for bad and doubtful debts/credit impaired	4.81	4.81
	-	-
8) NON-CURRENT FINANCIAL ASSETS - LOANS		
Carried at amortised cost		
Loans receivables considered good - Unsecured		
Security deposit (interest bearing)	253.90	253.90
	253.90	253.90
9) NON-CURRENT FINANCIAL ASSETS - OTHERS		
(Unsecured, considered good)		
Carried at amortised cost		
Security deposits	3.66	3.41
Fixed deposit with banks (remaining maturity more than 12 months)*	-	21.23
	3.66	24.64
* pledged with bank as margin against bank guarantees		
10) DEFERRED TAX ASSETS (NET)		
Deferred tax assets		
Current tax loss	398.81	316.64
Deductible temporary differences	13.59	15.49
MAT credit entitlement	503.90	503.90
Total deferred tax assets	916.30	836.03
Less : Deferred tax liabilities		
Property, plant and equipment	(223.65)	(229.45)
Fair valuation of financial instruments through Other Comprehensive Income	(41.97)	(42.42)
Deferred tax assets/(liabilities) net	650.68	564.16



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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, 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)
As at March 31, 2020	316.64	15.49	503.90	(229.45)	(42.42)	564.16
(Charged)/credited to profit or loss	82.17	(1.90)	-	5.80	-	86.06
(Charged)/credited to other comprehensive income	-	-	-	-	0.45	0.45
As at March 31, 2021	398.81	13.59	503.90	(223.65)	(41.97)	650.68

	As at March 31, 2021	As at March 31, 2020
11) OTHER NON-CURRENT ASSETS (Unsecured, considered good)		
Capital advances	<u>60.32</u>	<u>95.73</u>
	<u>60.32</u>	<u>95.73</u>
12) INVENTORIES (Valued at lower of cost and net realisable value)		
Raw materials*	893.81	937.44
Work-in-progress	23.96	46.56
Finished goods	382.55	321.77
Stores and spares**	243.27	326.34
	<u>1,543.59</u>	<u>1,632.11</u>
(i) Including goods in transit of :		
*₹178.37 lakhs (March 31, 2020 ₹ 63.78 lakhs) in Raw materials		
**₹2.96 lakhs (March 31, 2020 ₹ 12.87 lakhs) in Stores and spares		
(ii) Refer note no. 22 (b) and 26 (a) for information on inventories pledged as security by the Company.		
13) CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables considered good - Unsecured	837.06	1,490.51
Trade receivables - credit impaired	28.60	13.53
	<u>865.66</u>	<u>1,504.04</u>
Less: Loss allowance for bad and doubtful debts/expected credit loss/credit impaired	47.18	39.12
	<u>818.48</u>	<u>1,464.92</u>
14) CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS		
Balances with banks - in current accounts	63.83	66.56
Cash on hand	3.63	3.75
	<u>67.46</u>	<u>70.31</u>
15) CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS AS ABOVE		
Fixed deposit with bank (maturing within 12 months)		
Pledged with bank as margin against Letter of Credit and Bank Guarantee*	183.59	155.45
Others	-	-
	<u>183.59</u>	<u>155.45</u>

* includes ₹ 13.77 lakhs (March 31, 2020 ₹ Nil) having an original maturity of more than 12 months

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
16) CURRENT FINANCIAL ASSETS - OTHERS (Unsecured, considered good)		
Interest receivable	16.02	16.92
Security deposits	12.90	8.00
Forward contracts receivable	-	5.22
	<u>28.92</u>	<u>30.14</u>
17) CURRENT TAX ASSETS (NET)		
Advance income tax and tax deducted at source (net of provision)	14.94	13.35
	<u>14.94</u>	<u>13.35</u>
18) OTHERS CURRENT ASSETS (Unsecured, considered good)		
Advance to suppliers*	64.78	122.81
Employees' advances	3.19	2.05
Balance with statutory authorities	78.12	260.61
Deposit with government authorities	251.97	250.01
Prepaid expenses	11.51	7.26
Income tax refundable	4.08	4.08
	<u>413.65</u>	<u>646.82</u>
* Including ₹ Nil (March 31, 2020 ₹ 0.21 lakhs) with related party		
19) ASSETS HELD FOR SALE		
Land and building	148.86	148.86
	<u>148.86</u>	<u>148.86</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.		
20) EQUITY SHARE CAPITAL		
Authorised		
2,00,00,000 (March 31, 2020: 2,00,00,000) Equity shares of ₹10/- each	2,000.00	2,000.00
5,00,000 (March 31, 2020: 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>
Issued, subscribed and fully paid		
1,35,21,680 (March 31, 2020: 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>

(a) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity shares of ₹10/- each				
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	<u>1,35,21,680</u>	<u>1,352.17</u>	<u>1,35,21,680</u>	<u>1,352.17</u>

(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 except in case of interim dividend. 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Equity shares of ₹10/- each	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(%)	No. of Shares	(%)
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
Bishwanath Traders & Investments Ltd.	16,71,080	12.36	16,71,080	12.36
Govinda Power & Products Pvt. Ltd.	14,00,000	10.35	14,00,000	10.35
WPS PTE Ltd.	12,00,000	8.87	12,00,000	8.87
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
Gopala Sales Pvt. Ltd.	7,50,000	5.55	7,50,000	5.55
Bijay Paper Traders Ltd.	7,47,100	5.53	7,47,100	5.53

	As at March 31, 2021		As at March 31, 2020	
(₹ in Lakhs)				
21) OTHER EQUITY				
(i) Reserves and Surplus				
(a) Capital Reserve				
Balance as per last balance sheet		22.97		22.97
(b) Securities Premium				
Balance as per last balance sheet		565.49		565.49
(c) Other Reserve				
- Capital Redemption Reserve				
Balance as per last balance sheet		500.00		500.00
(d) Retained Earnings				
Balance/(Deficit) as per last balance sheet	(204.90)		331.70	
Add: Profit/(loss) for the year	(327.44)	(532.34)	(536.60)	(204.90)
(ii) Item of Other Comprehensive Income				
(a) Re-measurements of defined benefit plans				
Balance as per last balance sheet	48.86		40.17	
Add: Actuarial gain/(loss) during the year	33.43	82.29	8.69	48.86
(b) Re-measurements of investments in Equity instruments (unquoted)				
Balance as per last balance sheet	120.73		185.16	
Add: on Re-measurement of investments	(1.28)	119.45	(64.43)	120.73
		757.86		1,053.15

Nature and purpose of reserves

- i) Capital Reserve was created on forfeiture of equity shares and will be utilised in accordance with the provision of the Companies Act, 2013.
- ii) 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.
- iii) 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.
- iv) 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.

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
22) NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Measured at amortized cost		
Secured		
Vehicle loan from bank	-	3.18
WCDL (CESS-2020) from bank	53.15	-
Unsecured		
Loans from related parties [refer note no. 55(c)]	392.50	354.05
	<u>445.65</u>	<u>357.23</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Details of security and other terms:

(a) Current maturities of long term borrowings ₹ 77.25 lakhs (March 31, 2020 ₹ 14.21 lakhs) are taken under current financial liabilities others. (refer note no. 28)

(b) Covid Emergency Support System 2020 (CESS 2020) from Bank of India is secured as under:-

Primary security:

(i) First pari-passu charge by way of hypothecation of stocks and book debts of the Company.

Collateral security:

(i) Extension of charge on Land & Building situated at Keshwana Unit.

(ii) Extension of hypothecation charge on block of assets (P&M and other fixed assets) of Keshwana (Kotputli) unit.

(iii) The loan is also guaranteed by personal guarantee of one Director of the Company.

(c) Repayment schedule of CESS 2020 and year wise maturity is as under:-

	2022-23	2022-23	Total
Amount (₹ in Lakhs)	8.85	8.90	53.15
No. of Instalments	5	1	6

(d) Vehicle loan, payable within one year, is taken under current financial liabilities others (refer note no. 28) secured by hypothecation of vehicle.

(e) 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.

(f) The above loans carry varying rates of interest with the maximum rate of interest going upto 12.00% (previous year 12.00%).

	As at March 31, 2021	As at March 31, 2020
	(₹ in Lakhs)	
23) NON-CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
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	108.23	50.85
	<u>108.23</u>	<u>50.85</u>
24) NON-CURRENT FINANCIAL LIABILITIES - OTHERS		
Measured at amortized cost		
Security deposits from dealers and contractors	89.73	98.16
Creditors for capital goods	32.14	28.18
	<u>121.87</u>	<u>126.34</u>
25) NON-CURRENT PROVISIONS		
Provision for employee benefits (refer note no 45)		
Gratuity	101.31	130.99
Leave encashment	19.91	18.62
	<u>121.22</u>	<u>149.61</u>
26) CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Loans repayable on demand		
Cash credit from banks	1,657.54	1,686.14
	<u>1,657.54</u>	<u>1,686.14</u>

Details of security and other terms:

(a) Above cash credit facilities from banks under consortium arrangement having Bank of India as lead bank, are secured by:-

Primary security:

(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.

Collateral security:

(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.

(v) The facilities are also guaranteed by personal guarantee of one Director 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, 2021

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
27) CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
(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	399.14	281.50
Other than acceptances	1,476.39	2,320.05
	<u>1,875.53</u>	<u>2,601.55</u>
28) CURRENT FINANCIAL LIABILITIES - OTHERS		
Current maturities of long term debt [refer note no 22(a)]		
Secured - vehicle loan from bank	3.18	12.05
Secured - WCDL (CESS-2020) from bank	71.85	-
Unsecured - loan from related party [refer note no. 55(c)]	2.22	2.16
Interest accrued	162.67	167.62
Other payables		
Due to employees	86.80	127.86
Creditors for capital goods	25.75	77.89
Expenses payable	179.37	118.31
	<u>531.84</u>	<u>505.89</u>
29) OTHER CURRENT LIABILITIES		
Advance from customers	57.17	141.08
Security deposits from dealers	53.29	51.27
Statutory dues	12.62	14.79
	<u>123.08</u>	<u>207.14</u>
30) CURRENT PROVISIONS		
Provision for employee benefits (refer note no 45)		
Gratuity	-	-
Leave encashment	5.90	5.37
	<u>5.90</u>	<u>5.37</u>
31) LIABILITIES AGAINST ASSETS HELD FOR SALE		
Advance received against sale of Land and Building	620.00	620.00
	<u>620.00</u>	<u>620.00</u>
		(₹ in Lakhs)
	Year ended	Year ended
	March 31, 2021	March 31, 2020
32) REVENUE FROM OPERATIONS		
(Refer note no. 47 & 51)		
Sale of products	6,905.00	10,012.69
Other operating revenues	35.60	114.89
	<u>6,940.60</u>	<u>10,127.58</u>
33) OTHER INCOME		
Interest income on:		
Security deposits carried at amortized cost	8.80	12.31
Fixed deposit with banks carried at amortized cost	11.47	12.72
	<u>20.27</u>	<u>25.03</u>
Other non-operating income		
Excess provision w/back	-	172.01
Excess provision w/back (ECL)	7.02	-
Foreign exchange rate fluctuations (net)	6.00	22.85
Duty drawback	3.58	-
Miscellaneous income	6.41	2.25
	<u>43.28</u>	<u>222.14</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	Year ended March 31, 2021	(₹ in Lakhs) Year ended March 31, 2020
34) COST OF MATERIALS CONSUMED		
Raw materials consumed		
Inventories at the beginning of the year	937.44	975.26
Add: Purchases during the year (Net)	<u>3,546.95</u>	<u>5,884.84</u>
	4,484.39	6,860.10
Less: Inventories at the end of the year	<u>893.81</u>	<u>937.44</u>
	<u><u>3,590.58</u></u>	<u><u>5,922.66</u></u>
35) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening inventories		
Finished goods	321.77	337.97
Work-in-progress	<u>46.56</u>	<u>13.46</u>
	368.33	351.43
Closing inventories		
Finished goods	382.55	321.77
Work-in-progress	<u>23.96</u>	<u>46.56</u>
	406.51	368.33
(Increase)/Decrease in inventories of		
Finished goods	(60.78)	16.20
Work-in-progress	<u>22.60</u>	<u>(33.10)</u>
	<u><u>(38.18)</u></u>	<u><u>(16.90)</u></u>
36) EMPLOYEE BENEFITS EXPENSE		
Salary and wages	478.67	784.67
Contribution to provident and other funds	53.61	75.74
Staff welfare expenses	<u>10.40</u>	<u>17.31</u>
	<u><u>542.68</u></u>	<u><u>877.72</u></u>
37) FINANCE COSTS		
Interest	303.57	278.56
Right of Recompense	-	600.00
Interest on income tax	-	0.54
Other borrowing costs	<u>52.60</u>	<u>30.13</u>
	<u><u>356.17</u></u>	<u><u>909.23</u></u>
38) DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on property, plant and equipment (refer note no 5)	<u>381.72</u>	<u>367.44</u>
	<u><u>381.72</u></u>	<u><u>367.44</u></u>
39) OTHER EXPENSES		
Stores and spares consumed	356.52	355.05
Power and fuel	1,670.54	2,495.09
Packing materials	86.21	174.91
Contract charges for services	110.85	249.51
Rent	1.39	1.00
Repairs		
Buildings	2.57	0.53
Machinery	64.89	29.64
Others	9.98	26.33
Insurance	10.19	6.31
Rates and taxes	5.42	5.85
Cost auditor's remuneration		
Cost audit fees	0.75	0.75
Auditor's remuneration		
For audit fees	0.90	0.90
For tax audit and GST audit fees	1.90	0.95
For taxation matters	0.45	-
For other services	0.31	0.25
Expenditure towards Corporate Social Responsibility (refer note no 43)	-	20.00
Loss on re-measurement of long term investment at FVTPL	0.01	-
Expected credit loss	-	10.56
Tour, travelling and conveyance	76.77	133.99
Provision of doubtful debts	15.07	-
Miscellaneous expenses	<u>149.69</u>	<u>216.59</u>
	<u><u>2,564.41</u></u>	<u><u>3,728.21</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
40) EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Profit on sale of a portion of Bahadurgarh land and building	-	668.63
Total	-	668.63

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

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Current tax	-	-
Deferred tax	(86.06)	(237.10)
Income tax adjustment for earlier years	-	3.69
Total	(86.06)	(233.41)

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

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Tax effect on actuarial gains/losses on defined benefit obligations	-	-
Deferred tax liability on re-measurement of unquoted equity instruments at FVTOCI	0.45	20.35
Total	0.45	20.35

(c) Income tax reconciliation

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Profit/(loss) before tax	(413.50)	(770.01)
Enacted tax rate (%)	26.00%	26.00%
Tax expense/(saving) at enacted tax rate	(107.51)	(200.20)
Tax impact on account of depreciation	6.26	(41.94)
Other items giving rise to temporary differences	(5.80)	78.36
Effect due to non deductible expenses	32.78	35.06
Effect due to deductible expenses earlier disallowed	(13.74)	(14.92)
Other temporary differences	1.90	1.18
Effect of income that is exempted from tax	-	(94.81)
Income tax adjustment for earlier years	-	3.69
Others	0.05	0.17
Total	(86.06)	(233.41)

42) EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Profit/(loss) after Tax	(327.44)	(536.60)
Weighted average number of equity shares	1,35,21,680	1,35,21,680
Basic and Diluted earnings per share (₹)	(2.42)	(3.97)
Face value of an equity share (₹)	10.00	10.00

43) EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
(a) Gross amount required to be spent during the year	-	17.63
(b) Amount spent during the year		
(i) On construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	-	20.00
Total amount spent during the year	-	20.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
44) CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
(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/Land tax	14.51	6.70
Sales tax matters	234.86	234.86
Labour law matter	3.00	3.00
Stock Exchange matter	5.43	-
- Show Cause notices issued by the Excise Department, Rohtak for recovery of ₹4043.51 lakhs adjudicated by the Commissioner, Central Excise and demand of ₹3,727.57 lakhs has been dropped. Remaining demand of ₹315.94 lakhs was confirmed along with the penalty thereon. The Company has filed appeal before the Hon'ble CESTAT. In addition, another two show cause notices were issued by the Excise Department, Jaipur for recovery of ₹0.95 lakhs for which reply has been filed, no order is yet received.		
- Customs Duty matter relates to demand of ₹163.10 lakhs and penalty and redemption fine of ₹100.00 lakhs each. The appeal has been filed before Hon'ble CESTAT. The amount of ₹250.00 lakhs deposited under protest during investigation, with Custom Department is subject matter of outcome of the appeal.		
- 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	404.60
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	209.51	280.29

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	2020-2021	2019-2020
1	Contribution to employee's provident fund	9.96	15.94
2	Contribution to employee's family pension fund	13.81	21.77
	Total	23.77	37.71

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

(₹ in Lakhs)

		March 31, 2021	March 31, 2020
i.	Changes in the present value of obligation		
a.	Present value of obligation at the beginning of the year	209.52	205.83
b.	Interest cost	13.93	15.68
c.	Current service cost	16.41	18.83
d.	Benefits paid	(22.25)	(21.25)
e.	Actuarial (gain)/loss:		
	due to change in financial assumptions	1.56	12.52
	due to experience variance	(33.88)	(22.09)
f.	Present value of obligation at the end of the year	185.29	209.52



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

		(₹ in Lakhs)	
		March 31, 2021	March 31, 2020
ii.	Changes in the fair value of plan assets		
a.	Present value of plan assets at the beginning of the year	78.53	73.88
b.	Expected return on plan assets	5.22	5.63
c.	Actuarial gain/(loss)	1.11	(0.88)
d.	Employer's contributions	21.37	21.15
e.	Benefit paid	(22.25)	(21.25)
f.	Fair value of plan assets at the end of the year	83.98	78.53
iii.	Amount recognized in the Balance Sheet and reconciliation of the present value of obligation and the fair value of assets		
a.	Present value of obligation at the end of the year	185.29	209.52
b.	Fair value of plan assets at the end of the year	83.98	78.53
c.	Net (asset)/liability recognized in the balance sheet	101.31	130.99
iv.	Expenses recognized in the Statement of Profit & Loss		
a.	Current service cost	16.41	18.83
b.	Interest cost	13.93	15.68
c.	Expected return on plan assets	(5.22)	(5.63)
d.	Total expenses recognized in the Statement of Profit & Loss	25.12	28.88
v.	Amount recognized in other comprehensive income		
a.	Actuarial gain/(loss) on liabilities	32.32	9.57
b.	Actuarial gain/(loss) on assets	1.11	(0.88)
c.	Net gain/(loss) recognized in other comprehensive income	33.43	8.69
vi.	Percentage of each category of plan assets to total fair value of plan assets as at end of the year	%	%
a.	Insurer managed funds	100	100
vii.	Actuarial assumption	%	%
a.	Discount rate	6.53	6.65
b.	Expected rate of return on plan assets	6.65	7.62
c.	Salary escalation rate	10.00	10.00
viii.	Sensitivity analysis		
a.	Impact due to increase of 0.50% in discount rate	(6.32)	(6.68)
b.	Impact due to decrease of 0.50% in discount rate	6.82	7.21
c.	Impact due to increase of 1.00% in salary inflation rate	13.41	13.93
d.	Impact due to decrease of 1.00% in salary inflation rate	(11.76)	(12.46)
e.	Impact due to increase of 5.00% in withdrawal rate	(12.54)	(12.99)
f.	Impact due to decrease of 5.00% in withdrawal rate	23.63	24.70
ix.	Maturity profile of defined benefit obligation		
a.	1st following year	66.79	82.02
b.	2nd following year	4.90	5.37
c.	3rd following year	8.51	14.88
d.	4th following year	7.03	10.63
e.	5th following year	5.72	7.08
f.	After 6th following year	249.45	262.30
x	The expected contributions for Defined Benefit Plan	30.15	34.64



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(B) Leave encashment (Unfunded)

		(₹ in Lakhs)	
		March 31, 2021	March 31, 2020
i.	Changes in the present value of obligation		
a.	Present value of obligation at the beginning of the year	23.99	26.60
b.	Interest cost	1.59	2.03
c.	Current service cost	5.31	5.66
d.	Benefits paid	(4.96)	(9.34)
e.	Actuarial (gain)/loss:		
	due to change in financial assumptions	0.19	1.38
	due to experience variance	(0.31)	(2.34)
f.	Present value of obligation at the end of the year.	25.81	23.99
ii.	Amount recognized in the Balance Sheet and reconciliation of the present value of obligation and the fair value of assets		
a.	Present value of obligation at the end of the year	25.81	23.99
b.	Fair value of plan assets at the end of the year	-	-
c.	Net (asset)/liability recognized in the balance sheet	25.81	23.99
iii.	Expenses recognized in the Statement of Profit & Loss		
a.	Current service cost	5.31	5.66
b.	Interest cost	1.59	2.03
c.	Net actuarial (gain)/loss	(0.11)	(0.96)
d.	Total expenses recognized in the Statement of Profit & Loss	6.79	6.73
iv.	Amount recognized in other comprehensive income		
a.	Actuarial gain/(loss) on liabilities	-	-
b.	Actuarial gain/(loss) on assets	-	-
c.	Net gain/(loss) recognized in other comprehensive income	-	-
v.	Actuarial assumption	%	%
a.	Discount rate	6.53	6.65
b.	Expected rate of return on plan assets	NA	NA
c.	Salary escalation rate	10.00	10.00
vi.	Sensitivity analysis		
a.	Impact due to increase of 0.50% in discount rate	(0.79)	(0.74)
b.	Impact due to decrease of 0.50% in discount rate	0.84	0.79
c.	Impact due to increase of 1.00% in salary inflation rate	1.65	1.53
d.	Impact due to decrease of 1.00% in salary inflation rate	(1.47)	(1.37)
e.	Impact due to increase of 5.00% in withdrawal rate	(1.92)	(1.06)
f.	Impact due to decrease of 5.00% in withdrawal rate	3.42	1.89
vii.	Maturity profile of defined benefit obligation		
a.	1st following year	6.29	5.72
b.	2nd following year	2.21	2.11
c.	3rd following year	2.28	2.24
d.	4th following year	1.82	1.91
e.	5th following year	1.93	1.49
f.	After 6th following year	29.33	28.02

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- 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	2020-2021	2019-2020
1	Revenue from contracts with customers		
	Sale of products	6,905.00	10,012.69
2	Other operating revenues	35.60	114.89
	Total revenue	6,940.60	10,127.58

Sales by performance obligations:

(₹ in Lakhs)

Sl. No.	Particulars	2020-2021	2019-2020
1	Upon shipment	6,905.00	10,012.69
2	Upon delivery	-	-
	Total	6,905.00	10,012.69

Reconciliation of revenue from contract with customer:

(₹ in Lakhs)

Sl. No.	Particulars	2020-2021	2019-2020
A	Revenue from contract with customer as per the contract price	7,056.15	10,196.90
	Adjustments made to contract price on account of:-		
	a) Discounts/rebates/incentives	111.36	164.55
	b) Sales returns/credits/reversals	39.79	19.66
	Revenue from contract with customer as per Statement of Profit and Loss (A)	6,905.00	10,012.69
B	Other operating revenues (B)	35.60	114.89
	Revenue from operations (A+B)	6,940.60	10,127.58

- 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, 2021	March 31, 2020
(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.	-	-

- 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, 2021 and ₹ 145.76 in March 31, 2020 .
- 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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	2020-2021	2019-2020
1	Customer 1	1,645.56	1,437.68
2	Customer 2	1,182.48	1,138.17
3	Customer 3	744.53	-

52) CAPITAL MANAGEMENT

The Company aims to manage its capital efficiently so as to safe guard 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, 2021	March 31, 2020
Debt*	2,180.44	2,057.58
Less: Cash and bank balances	251.05	225.76
Net Debt	1,929.39	1,831.82
Total Equity	2,110.03	2,405.32
Debt to Equity ratio	0.91	0.76

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

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, 2021

(₹ in Lakhs)

Particulars	Carrying amount / Fair value				Fair value hierarchy			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Investments in equity instruments (quoted)	0.01	-	-	0.01	0.01	-	-	0.01
Investments in equity instruments (unquoted)	-	162.62	-	162.62	-	162.62	-	162.62
Trade receivables	-	-	-	-	-	-	-	-
Loans	-	-	253.90	253.90	-	-	-	-
Other financial assets	-	-	3.66	3.66	-	-	-	-
Current financial assets								
Trade receivables	-	-	818.48	818.48	-	-	-	-
Cash and cash equivalents	-	-	67.46	67.46	-	-	-	-
Bank balances other than above	-	-	183.59	183.59	-	-	-	-
Other financial assets	-	-	28.92	28.92	-	-	-	-
Total financial assets	0.01	162.62	1,356.01	1,518.64	0.01	162.62	-	162.63
Non-current financial liabilities								
Borrowings	-	-	445.65	445.65	-	-	-	-
Trade payables	-	-	108.23	108.23	-	-	-	-
Other financial liabilities	-	-	121.87	121.87	-	-	-	-
Current financial liabilities								
Borrowings	-	-	1,657.54	1,657.54	-	-	-	-
Trade payables	-	-	1,875.53	1,875.53	-	-	-	-
Other financial liabilities	-	-	531.84	531.84	-	-	-	-
Total financial liabilities	-	-	4,740.66	4,740.66	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(b) 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
Non-current financial assets								
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	-	-	-	-
Current financial assets								
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
Total financial assets	5.24	164.35	1,994.14	2,163.73	0.02	169.57	-	169.59
Non-current financial liabilities								
Borrowings	-	-	357.23	357.23	-	-	-	-
Trade payables	-	-	50.85	50.85	-	-	-	-
Other financial liabilities	-	-	126.34	126.34	-	-	-	-
Current financial liabilities								
Borrowings	-	-	1,686.14	1,686.14	-	-	-	-
Trade payables	-	-	2,601.55	2,601.55	-	-	-	-
Other financial liabilities	-	-	505.89	505.89	-	-	-	-
Total financial liabilities	-	-	5,328.00	5,328.00	-	-	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021	As at March 31, 2020
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	1.83	9.31
180 - 365 days	0.09	4.03
1 year to 2 years	3.53	2.03
2 years to 3 years	2.24	0.83
above 3 years	10.89	9.39
Total	18.58	25.59

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	25.59	15.04
Addition	13.46	21.66
Write - offs	-	-
Recoveries	20.47	11.11
Balance at the end of the year	18.58	25.59

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 ₹ 842.46 lakhs as on March 31, 2021; ₹ 813.86 lakhs as on March 31, 2020.

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

As at March 31, 2021

Particulars	(₹ in Lakhs)			
	Less than 1 year	1-5 years	More than 5 years	Total
Non derivative				
Borrowings	1,734.79	53.15	392.50	2,180.44
Trade payables	1,875.53	108.23	-	1,983.76
Other financial liabilities	454.59	32.14	89.73	576.46
Derivative				
Forward exchange contracts	-	-	-	-

As at March 31, 2020

Particulars	(₹ in Lakhs)			
	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	50.85	-	2,652.40
Other financial liabilities	491.68	28.18	98.16	618.02
Derivative				
Forward exchange contracts	-	-	-	-

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.

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative outstanding as at the reporting date

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade payable on account of purchase of goods		
Forward contracts to buy USD (\$ in lakhs)	-	2.46
Amount outstanding in Indian Rupee (₹ in lakhs)	-	182.00

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021	As at March 31, 2020
Trade payable on account of purchase of goods		
Amount outstanding in USD (\$ in lakhs)	3.79	0.67
Amount outstanding in Indian Rupee (₹ in lakhs)	278.69	50.18

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/(Loss) 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, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
USD		
5% Increase	(13.93)	(11.61)
5% Decrease	13.93	11.61

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.

For the years ended March 31, 2021 and March 31, 2020, 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 ₹ 8.72 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, 2021, 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
Mr. Sanjiv Kumar Agarwal
Ms. Ritika Priyam

Managing Director
Chief Financial Officer
Company Secretary

Mr. Bishwanath Pasari
Mr. Dev Kishan Chanda
Mr. Prakash Narayan Singh
Mr. Lal Chand Sharma
Mr. Rajesh Mujoo
Mrs. Rakhi Verma

Non-Executive Director (Expired on September 16, 2020)
Non-Executive Director (w.e.f. February 23, 2021)
Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Director

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

ii) Relatives of Key Management Personnel:

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

iii) Enterprises where Key Management Personnel/Relative of Key Management Personnel have 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.

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

(₹ in Lakhs)

Nature of transactions	2020-2021			2019-2020		
	Referred in (i) above	Referred in (ii) above	Referred in (iii) above	Referred in (i) above	Referred in (ii) above	Referred in (iii) above
Expenses :						
Employee benefit expense* (short term employee benefits)						
Mr. Narendra Kumar Pasari	20.72	-	-	19.37	-	-
Mr. Sanjiv Kumar Agarwal	11.19	-	-	13.49	-	-
Mrs. Sonam Katyaj	-	-	-	3.53	-	-
Ms. Ritika Priyam	1.52	-	-	1.15	-	-
Consultancy paid						
Mr. Naynesh Pasari	-	6.00	-	-	6.00	-
Finance costs						
Gopala Sales Pvt. Ltd.	-	-	2.68	-	-	2.65
Bishwanath Industries Ltd.	-	-	32.05	-	-	28.72
Bishwanath Traders & Investments Ltd.	-	-	3.12	-	-	2.80
Dilwara Leasing & Investment Ltd.	-	-	3.00	-	-	2.73
Raw material purchase						
Gopala Sales Pvt. Ltd.	-	-	-	-	-	47.49
Govinda Power & Products Pvt. Ltd.	-	-	-	-	-	54.39
Packing material purchase						
Gopala Sales Pvt. Ltd.	-	-	-	-	-	63.92
Govinda Power & Products Pvt. Ltd.	-	-	7.99	-	-	17.96
Income :						
Sale of products						
Gopala Sales Pvt. Ltd.	-	-	-	-	-	1,028.61
Govinda Power & Products Pvt. Ltd.	-	-	-	-	-	473.40
Other operating revenues						
Gopala Sales Pvt. Ltd.	-	-	-	-	-	5.19
Govinda Power & Products Pvt. Ltd.	-	-	2.03	-	-	8.41
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

*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, 2021**

c) Closing balances receivables/payables:

(₹in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Referred in (i) above		
Current financial liabilities-Others		
Mr. Narendra Kumar Pasari	1.63	1.88
Mr. Sanjiv Kumar Agarwal	0.76	0.76
Ms. Ritika Priyam	0.30	0.30
Referred in (ii) above		
Current financial liabilities-Trade payables		
Mr. Naynesh Pasari	1.38	0.45
Referred in (iii) above		
Current financial assets-Trade receivables		
SKCS Finvest Pvt. Ltd.	-	0.07
Inficore Visions Pvt. Ltd.	0.51	0.37
Other current assets		
Gopala Sales Pvt. Ltd.	-	0.14
Govinda Power & Products Pvt. Ltd.	-	0.07
Non-current financial liabilities-Borrowings*		
Bishwanath Traders & Investments Ltd.	31.43	28.31
Bishwanath Industries Ltd.	310.40	278.35
Gopala Sales Pvt. Ltd.	17.22	16.94
Dilwara Leasing & Investment Ltd.	33.45	30.45
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.	-	60.2
Current financial liabilities-Others		
Gopala Sales Pvt. Ltd.	2.22	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:

Particulars	As at March 31, 2021	As at March 31, 2020
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, 2021
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, 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)
Net debt as at March 31, 2020	357.23	1686.14	14.21	2057.58
Net debt as at April 01, 2020	357.23	1686.14	14.21	2057.58
Proceeds from non-current borrowings (including current maturities) net	88.42	-	63.04	151.46
Proceed from current borrowings (net)	-	(28.60)	-	(28.60)
Net debt as at March 31, 2021	445.65	1657.54	77.25	2180.44

- 57) The covid-19 pandemic has its impact on the global economic environment including in India causing significant distribution in the economic activities in the first half of the FY 2020-21 due to the pandemic. With the gradual relaxation in India in the second half, economic activities had improved. However, the second wave of the Covid 19 pandemic emerging in India from the end of March, 2021 may have impact on the Industry and the Company. The Company continues to focus on maintaining its liquidity and expects a gradual recovery of demand and supply in future months. Based on such assessment, the Company expects to recover carrying values of such assets. The eventual outcome of the impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and assess its impact on operations.
- 58) During the year ended March 31, 2021 no material foreseeable loss (March 31, 2020: Nil) was incurred for any ong-term contract including derivative contracts.
- 59) Comparative corresponding figures for the previous year have been regrouped and/or re-arranged wherever considered necessary.
- 60) 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: June 30, 2021

 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: June 30, 2021

 **Shree Krishna Paper Mills &
Industries Limited**

4830/24, Prahlad Street, Ansari Road, Darya Ganj, New Delhi - 110 002

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