

**40<sup>th</sup>**  
**ANNUAL REPORT**

**2019 - 2020**



**SHREYANS INDUSTRIES LIMITED**



**INSPIRING US**



**LATE SH. D.K. OSWAL  
(1940 - 2007)**

**We live by your values.  
Honesty, Generosity, Compassion and Selflessness.**



**BOARD OF DIRECTORS**

MR. RAJNEESH OSWAL, CHAIRMAN AND MANAGING DIRECTOR	(DIN 00002668)
MR. VISHAL OSWAL, VICE-CHAIRMAN AND MANAGING DIRECTOR	(DIN 00002678)
MR. KUNAL OSWAL, WHOLE TIME DIRECTOR	(DIN 00004184)
MR. ANIL KUMAR, EXECUTIVE DIRECTOR AND C.E.O	(DIN 00009928)
MR. A.K. CHAKRABORTY, INDEPENDENT DIRECTOR	(DIN 00133604)
DR. PREM KUMAR, INDEPENDENT DIRECTOR	(DIN 00051349)
MR. RAMESH CHANDER JUNEJA, ADDITIONAL DIRECTOR (INDEPENDENT )	(DIN 07804729)
DR. PRATIBHA GOYAL, INDEPENDENT DIRECTOR	(DIN 07174666)

CHIEF FINANCIAL OFFICER  
MR. R. K. MAHAJAN

COMPANY SECRETARY  
MS. RUCHITA VIJ

**BANKERS**

1) STATE BANK OF INDIA  
4) ICICI BANK LIMITED

2) IDBI BANK LIMITED  
5) DEUTSCHE BANK AG

3) PUNJAB NATIONAL BANK

**STATUTORY AUDITORS**

M/S. K.C. KHANNA & CO.  
NEW DELHI

**SECRETARIAL AUDITORS**

M/S. P.S. BATHLA & ASSOCIATES  
LUDHIANA

**COST AUDITORS**

M/S. RAJAN SABHARWAL & ASSOCIATES  
LUDHIANA

**REGISTRAR & TRANSFER AGENTS**

M/S. SKYLINE FINANCIAL SERVICES (P) LIMITED  
D-153/A, 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE - I  
NEW DELHI - 110020  
TEL: 011 40450193-97, EMAIL: admin@skylinerta.com

**REGISTERED & CORPORATE OFFICE**

VILLAGE - BHOLAPUR. P.O. SAHABANA  
CHANDIGARH ROAD, LUDHIANA- 141123. (PUNJAB)  
CIN: L17115PB1979PLC003994,  
TEL: +91-161-2685270, 98761-00948

EMAIL: atl@shreyansgroup.com, cs@shreyansgroup.com, WEB: www.shreyansgroup.com

**WORKS**

1. SHREYANS PAPERS, AHMEDGARH, DISTT. SANGRUR (PB.) - 148021  
TEL: +91-161-5206300 FAX: +91-1675-240512, EMAIL: spm@shreyansgroup.com
2. SHREE RISHABH PAPERS, VILLAGE BANAH, DISTT. S. B. S. NAGAR (PB.) - 144522  
TEL: +91-1881-273627-28-29 FAX: +91-1881-273645, EMAIL: srp@shreyansgroup.com

**BRANCH**

5 A-C, GOPALA TOWER,  
25, RAJENDRA PLACE, NEW DELHI-110008  
TEL: +91-11-25818258-59, 25721042  
EMAIL: sil.delhi@shreyansgroup.com

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**NOTICE**

NOTICE is hereby given that, the 40th Annual General Meeting of the members of the Company will be held on Wednesday, the 30th September, 2020 at 3.00 p.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business.

**AS AN ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and the Auditors thereon.

2. To ratify and confirm the payment of interim dividend of ₹3/- per equity share declared by the Board for the Financial Year 2019-20.

3. To appoint a director in place of Mr. Kunal Oswal (DIN: 00004184), who retires by rotation and being eligible offers himself for re-appointment.

**AS SPECIAL BUSINESS****ITEM NO. 4****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of deposits) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any, (including any statutory modification(s) thereof for the time being in force), the consent of the Company be and is hereby given to invite/accept/renew unsecured deposits from members and/or from public in any form or manner from time to time, through circular, advertisement or through any other permitted mode, up to the maximum permissible prescribed limit and on such terms and conditions as the Board may in its absolute discretion deem fit and necessary.

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

**ITEM NO. 5****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

“RESOLVED THAT, pursuant to the provisions of Section 148 and its related and applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, (including any statutory modifications thereof for the time being in force), the remuneration of ₹60,000/- (Rupees Sixty Thousands only) plus Goods and Service Tax as applicable and re-imbursment of out of pocket expenses, if any, for the financial year ending 31st March, 2021 as approved by the Board of Directors of the Company and paid/to be paid to M/s.Rajan Sabharwal and Associates, (Firm Registration No. 101961), Cost Accountants, Ludhiana, appointed by the Board as Cost Auditors to conduct the audit of the cost accounts of the Company, be and is hereby ratified.

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

**ITEM NO. 6****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:****RE-APPOINTMENT OF MR. KUNAL OSWAL, WHOLE TIME DIRECTOR**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of shareholders of the Company, Mr. Kunal Oswal (DIN: 00004184) be and is hereby re-appointed as Whole time Director of the Company for a period of three years w.e.f. 1st August, 2020 to 31st July, 2023 on the remuneration, terms and conditions as approved by the Nomination and Remuneration Committee and set out in the revised agreement, to be entered into between the Company and Mr. Kunal Oswal, draft of which is submitted to this meeting and the same is hereby specifically approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter or increase/vary the terms and conditions of the said re-appointment and remuneration and/or agreement in such form and manner or with such modifications as the Board may deem fit, if required, to comply with approval(s) of shareholders and/or Central Government and as may be acceptable to Mr. Kunal Oswal without referring the same to the General Meeting again, subject to consents/approvals, if any, required in this regard.

**RESOLVED FURTHER THAT** where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Mr. Kunal Oswal, the remuneration aforesaid shall be paid as the minimum remuneration.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions.”

**ITEM NO. 7****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:****RE-APPOINTMENT OF MR. ANIL KUMAR, ED & CEO**

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of shareholders of the Company, Mr. Anil Kumar (DIN: 00009928) be and is hereby re-appointed as Executive Director & CEO of the Company for a period of three years w.e.f. 30th August, 2020 to 29th August, 2023 on the remuneration, terms and conditions as approved by the Nomination and Remuneration Committee and set out in the revised agreement, to be entered into between the Company and Mr. Anil Kumar, draft of which is submitted to this meeting and the same is hereby specifically approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter or increase/vary the terms and conditions of the said re-appointment and remuneration and/or agreement in such form and manner or with such modifications as the Board may deem fit, if required, to comply with approval(s) of shareholders and/or Central Government and as may be acceptable to Mr. Anil Kumar without referring the same to the General Meeting again, subject to consents/approvals, if any, required in this regard.

**RESOLVED FURTHER THAT** where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Mr. Anil Kumar, the remuneration aforesaid shall be paid as the minimum remuneration.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions.”

**ITEM NO. 8**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**RE-APPOINTMENT OF MR. RAJNEESH OSWAL, CHAIRMAN AND MANAGING DIRECTOR**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of shareholders of the Company, Mr. Rajneesh Oswal be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of three years w.e.f. 1st September, 2020 to 31st August, 2023 on the remuneration, terms and conditions as approved by the Nomination and Remuneration Committee and set out in the agreement, to be entered into between the Company and Mr. Rajneesh Oswal, draft of which is submitted to this meeting and the same is hereby specifically approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter or increase/vary the terms and conditions of the said re-appointment and remuneration and/or agreement in such form and manner or with such modifications as the Board may deem fit, if required, to comply with approval(s) of shareholders and/or Central Government and as may be acceptable to Mr. Rajneesh Oswal without referring the same to the General Meeting again, subject to consents/approvals, if any, required in this regard.

**RESOLVED FURTHER THAT** where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Mr. Rajneesh Oswal, the remuneration aforesaid shall be paid as the minimum remuneration.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions.”

**ITEM NO. 9**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**RE-APPOINTMENT OF MR. VISHAL OSWAL, VICE-CHAIRMAN AND MANAGING DIRECTOR**

“**RESOLVED THAT**, pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of shareholders of the Company, Mr. Vishal Oswal be and is hereby re-appointed as Vice-Chairman & Managing Director of the Company for a period of three years w.e.f. 1st September, 2020 to 31st August, 2023 on the remuneration, terms and conditions as approved by the Nomination and Remuneration Committee and set out in the agreement, to be entered into between the Company and Mr. Vishal Oswal, draft of which is submitted to this meeting and the same is hereby specifically approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter or increase/vary the terms and conditions of the said re-appointment and remuneration and/or agreement in such form and manner or with such modifications as the Board may deem fit, if required, to comply with approval(s) of shareholders and/or Central Government and as may be acceptable to

Mr. Vishal Oswal without referring the same to the General Meeting again, subject to consents/approvals, if any, required in this regard.

**RESOLVED FURTHER THAT** where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Mr. Vishal Oswal, the remuneration aforesaid shall be paid as the minimum remuneration.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions.”

**ITEM NO. 10**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**APPOINTMENT OF MR. RAMESH CHANDER JUNEJA AS AN INDEPENDENT DIRECTOR**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the consent of the Company be and is hereby accorded to appoint Mr. Ramesh Chander Juneja (DIN 07804729, who was appointed on 13th November 2019 to hold office till 40th Annual General Meeting as an Additional Director, Non-Executive Independent) for a term of 5 (five) consecutive years as a Director (Non-Executive Independent) effective from 30th September, 2020 to 29th September, 2025, not liable to retire by rotation.”

**ITEM NO. 11**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**INSERTION OF ARTICLE 92.1 TO ARTICLES OF ASSOCIATION OF THE COMPANY**

“**RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with Rules thereunder (including any statutory notifications or re-enactment thereof, for the time being in force), the consent of the Company, be and is hereby accorded to insert Article 92.1 as under:

**ARTICLE NO. 92.1:**

**The Board of Directors may, at their discretion, raise or borrow for the purpose of the Company's business on such security with mortgage on all/any of property/assets of the Company whether present/future or both or in such other way/s as they may think expedient, from time to time.**

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

By order of the Board  
For Shreyans Industries Limited

Sd/-

Ruchita Vij

Company Secretary

FCS 9210

Dated : June 29, 2020

Place : Ludhiana

**NOTES:**

1. Due to the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020, 14/2020, 17/2020 and the SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 has allowed the Companies to conduct the AGM/EGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In accordance with the said circulars of MCA, SEBI and the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 40th AGM of the Company shall be conducted through VC/OAVM.
2. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the 40th AGM and Annual Report FY 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/ Depositories. The Members may note that, the Notice will also be available on the Company's website at [www.shreyansgroup.com](http://www.shreyansgroup.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on website of the e-voting agency-Central Depository & Services Limited at [www.evotingindia.com](http://www.evotingindia.com).
3. Since the physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for this AGM and hence, the Attendance Slip, Route Map and Proxy Form are not annexed to this Notice.
4. The participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September 2020 for the purpose of AGM of the Company.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed herewith.
7. Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to Investor Service Cell of the Company at [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com).
8. M/s. P.S. Bathla & Associates, Company Secretaries in Practice, Ludhiana, has been appointed as Scrutinizer to scrutinize the voting process in a fair and transparent manner. The scrutinizer shall prepare and submit his report to the Chairperson of the AGM or any other person authorized by him for the purpose not later than 48 hours from the conclusion of the AGM. The results of the voting along with the report of the Scrutinizer shall be communicated to the BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed and will also be displayed on the website of CDSL, the e-voting agency & on the Company's website at [www.shreyansgroup.com](http://www.shreyansgroup.com).

**INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING AREAS UNDER:**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AREAS UNDER:**

- (i) The voting period begins on 26th September 2020 (09.00 A.M.) and ends on 29th September 2020 (05.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.



(viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVSN (200903078)** for the **<Shreyans Industries Limited>** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If De-mat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. i-phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders: please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- For Demat shareholders: please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

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

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com). These queries will be replied to by the company suitably by email.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com)., if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### PROCEDURE TO INSPECT DOCUMENTS, RAISE QUESTIONS

- a. The Statutory documents of the Company and/or the documents referred to in this Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, ie 30th September 2020. The members seeking to inspect can send an e-mail to Investor Service Cell of the Company at [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com).
- b. In case the Members wish to express their views or have any queries, then they may send the same in advance and also mentioning their Name, DP ID & Client ID/ Folio number, Mobile number to the Investor Service Cell at [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com). Queries received by the Company atleast three days before, shall only be considered and responded during the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently

Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**For and on Behalf of the Board**

**Sd/-  
Ruchita Vij  
Company Secretary  
FCS 9210**

**Dated : June 29, 2020**

**Place : Ludhiana**

Regd Office: Village Bholapur, P.O. Sahabana,  
Chandigarh Road, Ludhiana 141123  
CIN: L17115PB1979PLC003994

Regd. Office: Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana -141123, Punjab  
EMAIL: [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com), [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)  
Website: [www.shreyansgroup.com](http://www.shreyansgroup.com)

#### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING

##### ITEM NO. 4

Pursuant to Section 73 of the Companies Act, 2013 and rules made there under and after approval of the members of the Company at its meeting held on 10th August, 2018, the Company had issued circular to the members of the Company, being invitation for deposits from members, which is valid up to the date of 40th Annual General Meeting of the Company i.e. up to 30th September, 2020.

The Board of Directors at their meeting held on 29th June, 2020 decided to continue invite/accept/renew unsecured deposits from members and/or public after complying with the relevant provisions of the Companies Act, 2013 and rules made there under, to enable the Company to maintain an alternate source of financing and need based deposits shall be accepted and renewed.

The Board recommends this resolution for the approval of members by means of an ordinary resolution.

##### NOTICE OF INTEREST

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in the said resolution.

##### ITEM NO. 5

The Board of Directors at their meetings held on 29th June, 2020 has approved the appointment of M/s. Rajan Sabharwal and Associates, (Firm Registration No. 101961), Ludhiana as Cost Auditors to conduct the audit of the cost accounts of the Company for the financial year 2020-21 as per the directions which may be issued by the Central Govt. and the remuneration was fixed as given in the resolution.

As per Rule 14 of the Companies (Audit and Auditors) Rules

2014, the remuneration payable to the Cost Auditors shall be ratified by the shareholders.

The Board recommends the aforesaid resolution for approval of the members by means of an Ordinary Resolution.

#### **NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in the said resolution.

#### **ITEM NO. 6**

In the present term, Mr. Kunal Oswal was re-appointed as Whole Time Director of the Company for three years w.e.f. 1st August, 2017 to 31st July, 2020 by Special Resolution passed at Annual General Meeting held on 7th September 2017. The term of present appointment expires on 31st July, 2020.

So, the Board of Directors at its meeting held on 29th June, 2020, have approved the re-appointment and remuneration of Mr. Kunal Oswal, Whole Time Director for a period of three years from 1st August, 2020 to 31st July, 2023 on the terms and conditions as set out in the draft agreement which is available for inspection by the members. The re-appointment and payment of remuneration to Mr. Kunal Oswal, Whole Time Director is subject to the approval of Shareholders in terms of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under.

The Principal terms of remuneration of Mr. Kunal Oswal, Whole Time Director as approved by the Nomination and Remuneration Committee of the Company for a period of three years starting from 1st August, 2020 are as follows:

#### **(1) SALARY:**

Mr. Kunal Oswal, Whole Time Director shall be paid a salary of Rs. 2,00,000/- (Rupees Two Lacs only) per month.

#### **(2) PERQUISITES AND ALLOWANCES:**

- (i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Corporate Affairs, subject to maximum of 10% of basic salary.
- (ii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or three months' salary over a period of three years.
- (iii) Fee of clubs subject to a maximum of two clubs excluding admission and life membership fees and maximum of Rs. 10,000/- per annum.
- (iv) Leave travel concession for self and family members as per company's rules.
- (v) Premium not to exceed Rs. 10,000/- per annum for personal accident insurance.
- (vi) Provision of Car for official -cum-personal use, however, the valuation for personal use of car shall be treated as perquisite in the hands of Whole Time Director.
- (vii) Provision of Telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the Whole Time Director.

**(3) In addition to the perquisites as aforesaid, Mr. Kunal Oswal, Whole Time Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:**

(i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or as per policy approved by the Company.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

**(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Kunal Oswal, Whole Time Director during the course of and in connection with the business of the Company.**

**(5) No sitting fees shall be paid to Mr. Kunal Oswal, Whole Time Director for attending the meeting of Board of Directors or any Committee thereof.**

#### **(6) MINIMUM REMUNERATION**

In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Kunal Oswal, Whole Time Director will be entitled to above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration.

Necessary resolution is proposed at Item No. 6 of the aforesaid agenda as special resolution. The Directors of your Company recommend the above resolution for your consideration and approval.

#### **NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. Kunal Oswal, the appointee himself, Mr. Rajneesh Oswal and Mr. Vishal Oswal, being relatives of Mr. Kunal Oswal, are in any way concerned or interested in the proposed resolution.

#### **ITEM NO 7:**

In the present term, Mr. Anil Kumar was re-appointed as Executive Director & CEO of the Company for three years w.e.f. 30th August, 2017 to 29th August, 2020 by special resolution passed at Annual General Meeting held on 7th September 2017. The term of present appointment expires on 29th August 2020.

So, the Board of Directors at its meeting held on 29th June, 2020, have approved the re-appointment and remuneration of Mr. Anil Kumar, Executive Director & CEO for a period of three years from 30th August, 2020 to 29th August, 2023 on the terms and conditions as set out in the draft agreement which is available for inspection by the members. The re-appointment and payment of remuneration to Mr. Anil Kumar, Executive Director & CEO is subject to the approval of Shareholders in terms of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under.

The Principal terms of remuneration of Mr. Anil Kumar, Executive Director & CEO as approved by the Nomination and Remuneration Committee of the Company for a period of three years starting from 30th August, 2020 are as follows:

#### **1. SALARY**

Mr. Anil Kumar, Executive Director & CEO shall be paid a salary of Rs. 4,50,000/- (Rupees Four Lacs and Fifty Thousands only) per month.

Performance Incentive: As may be decided by the Board on year to year basis, but not exceeding 12 months' salary.

#### **2. PERQUISITES AND ALLOWANCES**

Furnished residential accommodation with gas, electricity, water and furnishings.

(i) The expenditure for the company for hiring furnished accommodation for the Executive Director & CEO shall not exceed 60% of salary, over and above 10% is payable by the

Executive Director & CEO.

Where ever the company does not provide the accommodation for their managerial personnel, the house rent may be paid by the company to the Executive Director & CEO as per (i) above.

Where accommodation is a company's owned house, is provided, the Executive Director shall pay to the company by way of rent, calculated@ 10% of the salary.

- (ii) The monetary expenditure incurred by the company on gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Corporate Affairs. This will however be subject to a ceiling of 10% of the salary of the Executive Director & CEO.
- (iii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or three months' salary over a period of three years.
- (iv) Fee of clubs subject to a maximum of two clubs, excluding admission and life membership fees subject to maximum of Rs. 50,000/- per annum.
- (v) Premium not to exceed Rs. 10,000/- per annum for personal accident insurance.
- (vi) Leave travel concession for self and family members as per company's rules.
- (vii) Provision of Car for official -cum-personal use, however, the valuation for personal use of car shall be treated as perquisite in the hands of Executive Director & CEO.
- (viii) Provision of Telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the Executive Director & CEO.

**3. In addition to the perquisites as aforesaid, Mr. Anil Kumar, Executive Director & CEO shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:**

- (i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or as per policy approved by the Company.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

**4. Reimbursement of all entertainment, traveling, hotel and other expenses incurred by the Mr. Anil Kumar, Executive Director & CEO during the course of and in connection with the business of the Company.**

**5. No sitting fees shall be paid to the Executive Director & CEO for attending the meeting of Board of Directors or any Committee thereof.**

#### **6. MINIMUM REMUNERATION**

In the event of inadequacy or absence of profits in any financial year during his tenure, the Executive Director & CEO will be entitled to above remuneration along with the perquisites/ benefits mentioned above by way of minimum remuneration.

Necessary resolution is proposed at Item No. 7 of the aforesaid agenda as special resolution. The Directors of your Company recommend the above resolution for your consideration and

approval.

#### **NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. Anil Kumar, the appointee himself, are in any way concerned or interested in the proposed resolution.

#### **ITEM NO 8:**

Mr. Rajneesh Oswal was re-appointed as Chairman & Managing Director of the Company for three years w.e.f. 1st September, 2017 to 31st August, 2020 by the Members of the Company by passing of Special Resolution through Postal Ballot, the result of which was declared on 13th December 2017. The term of present appointment expires on 31st August 2020.

So, the Board of Directors at its meeting held on 29th June, 2020, have approved the re-appointment and remuneration of Mr. Rajneesh Oswal, Chairman and Managing Director for a period of three years from 1st September, 2020 to 31st August, 2023 on the terms and conditions as set out in the draft agreement which is available for inspection by the members. The re-appointment and payment of remuneration to Mr. Rajneesh Oswal, Chairman and Managing Director is subject to the approval of Shareholders in terms of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under.

The Principal terms of remuneration of Mr. Rajneesh Oswal, Chairman and Managing Director as approved by the Nomination and Remuneration Committee of the Company for a period of three years starting from 1st September 2020 are as follows:

#### **1. SALARY**

Mr. Rajneesh Oswal, Chairman & Managing Director shall be paid a salary of ₹33,20,500/- (Rupees Thirty Three Lacs Twenty Thousand Five Hundred) only per month.

#### **2. PERQUISITES AND ALLOWANCES**

- (i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/clarifications as may be issued by the Ministry of Corporate Affairs, subject to maximum of ₹1,50,000/- per annum.
- (ii) Fee of clubs subject to a maximum of two clubs excluding admission and life membership fees and maximum of ₹10,000/- per annum.
- (iii) Leave travel concession for self and family members as per company's rules.
- (iv) Provision of Car for official-cum-personal use, however, the valuation for personal use of car shall be treated as perquisite in the hands of Chairman & Managing Director.
- (v) Provisions of Telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the Chairman & Managing Director.

**(3) In addition to the perquisites as aforesaid, the Chairman & Managing Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:**

- (i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or as per policy approved by the Company.

- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

**(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by the Chairman & Managing Director during the course of and in connection with the business of the Company.**

**(5) No sitting fees shall be paid to the Chairman & Managing Director for attending the meeting of Board of Directors or any Committee thereof.**

#### **(6) MINIMUM REMUNERATION**

In the event of inadequacy or absence of profits in any Financial Year(s) during his tenure, the Chairman & Managing Director will be entitled to above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration.

Necessary resolution is proposed at Item No. 8 of the aforesaid notice as special resolution. The Directors of your company recommend the above resolution for your consideration and approval.

#### **NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Rajneesh Oswal, the appointee himself, Mr. Vishal Oswal and Mr. Kunal Oswal, being relatives of Mr. Rajneesh Oswal, are interested in the proposed resolution.

#### **ITEM NO. 9**

Mr. Vishal Oswal was re-appointed as Vice-Chairman & Managing Director of the Company for three years w.e.f. 1st September, 2017 to 31st August, 2020 by the Members of the Company by passing of Special Resolution through Postal Ballot, the result of which was declared on 13th December 2017. The term of present appointment expires on 31st August 2020.

So, the Board of Directors at its meeting held on 29th June, 2020, have approved the re-appointment and remuneration of Mr. Vishal Oswal, Vice-Chairman and Managing Director for a period of three years from 1st September, 2020 to 31st August, 2023 on the terms and conditions as set out in the draft agreement which is available for inspection by the members. The re-appointment and payment of remuneration to Mr. Vishal Oswal, Vice-Chairman and Managing Director is subject to the approval of Shareholders in terms of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under.

The Principal terms of remuneration of Mr. Vishal Oswal, Vice-Chairman and Managing Director as approved by the Nomination and Remuneration Committee of the Company for a period of three years starting from 1st September 2020 are as follows:

#### **(1) SALARY**

Mr. Vishal Oswal, Vice-Chairman & Managing Director shall be paid a salary of ₹33,21,330/- (Rupees Thirty Three Lacs Twenty One Thousand Three Hundred and Thirty) only per month.

#### **(2) PERQUISITES AND ALLOWANCES**

- (i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/clarifications as may be issued by the Ministry of Corporate Affairs, subject to maximum of maximum of ₹1,50,000/- per annum.
- (ii) Leave travel concession for self and family members as per

company's rules.

- (iii) Provision of Car for official-cum-personal use, however, the valuation for personal use of car shall be treated as perquisite in the hands of Vice-Chairman & Managing Director.

- (iv) Provisions of Telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the Vice-Chairman & Managing Director.

**(3) In addition to the perquisites as aforesaid, the Vice-Chairman & Managing Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:**

- (i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or as per policy approved by the Company.

- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

- (iii) Encashment of leave at the end of the tenure.

**(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by the Vice-Chairman & Managing Director during the course of and in connection with the business of the Company.**

**(5) No sitting fees shall be paid to the Vice-Chairman & Managing Director for attending the meeting of Board of Directors or any Committee thereof.**

#### **(6) MINIMUM REMUNERATION**

In the event of inadequacy or absence of profits in any Financial Year(s) during his tenure, the Vice-Chairman & Managing Director will be entitled to above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration.

#### **NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Vishal Oswal, the appointee himself, Mr. Rajneesh Oswal and Mr. Kunal Oswal, being relatives of Mr. Vishal Oswal, are interested in the proposed resolution.

#### **ITEM NO. 10**

In the opinion of the Nomination and Remuneration Committee of the Directors, Mr. Ramesh Chander Juneja (DIN 07804729), fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Committee also opined that, he possesses appropriate skills, experience and knowledge as required for occupying the position of an Independent Director. The Board has also received declaration from Mr. Ramesh Chander Juneja that, he meets the Criteria of Independence as prescribed under Section 149(6) read with Schedule IV of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Based on the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 13th November, 2019, has considered and recommended the appointment of Mr. Ramesh Chander Juneja as an Additional Director (Non-Executive Independent) on the Board of the Company to hold office till 40th Annual General Meeting. Further, the Board is seeking approval of the shareholders of the Company to appoint Mr. Ramesh Chander Juneja as a Director (Non-Executive Independent) for a term of 5 (five) years effective

from 30th September, 2020 to 29th September, 2025.

**NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Ramesh Chander Juneja (DIN 07804729) himself, are in any way concerned or interested in the said resolution.

**ITEM NO. 11**

The manufacturing companies are having inherent powers of borrowing to run business activities. It is not specifically provided in the Companies Act 2013 to have borrowing clause in incidental or other objects of the manufacturing or trading Company, as it is implied to borrow money for running and carrying the business purpose. Considering the indirect provisions of Section 179 & 180 of the Companies Act, 2013, it is now advisable to amend the Article of Association (AOA) to include the specific borrowing clause/enabling powers. The Article No. 92 of Article of Association of the Company specifies that, the General Powers of the Company are vested with Board, now; it was proposed to add specific powers related to borrowings by way of insertion of Article 92.1 and that shall be part of Board's Powers. The Board discussed the matter in their meeting held on 29th June 2020 and consented to amend the AOA.

Necessary resolution is proposed at Item No. 11 of the aforesaid agenda as special resolution. The Directors of your Company recommend the above resolution for your consideration and approval.

**NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives, are in any way concerned or interested in the proposed resolution.

**STATEMENT OF THE DETAILS AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 IS AS UNDER:****(i) General Information**

1. Nature of Industry: The Company is engaged in the manufacturing of writing and printing paper from Agricultural residues.
2. Date of Commencement of Commercial Production: The Company started its Commercial Production in May 1982.
3. Financial Performance: The Financial Performance of the Company for the financial year ended 31.03.2020 and 31.03.2019 are as under: (₹ in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Total Revenues	<b>54,633.32</b>	57,989.14
Profit Before Interest and Depreciation	<b>4,768.07</b>	8,624.02
Less. Interest	<b>460.54</b>	636.99
Less. Depreciation	<b>1,053.04</b>	938.64
Net Profit before Tax	<b>3,254.49</b>	7,048.39
Provision for Taxation	<b>58.38</b>	2,353.36
Net Profit after Tax	<b>3,196.11</b>	4,695.03

## 4. Export Performance and Net Foreign Exchange (₹ in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Foreign Exchange Earning	<b>66.23</b>	583.40
Less. Foreign Exchange Outgo	<b>3,757.22</b>	4,627.59

(₹ in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Net Foreign Exchange Earning	<b>(3,690.99)</b>	(4,044.19)

5. Foreign Investments or Collaboration: The Company has not made any investments in foreign funds/securities and has no foreign collaborations.

**2. INFORMATION ABOUT THE DIRECTOR(S)****A. NAME: Mr. Kunal Oswal****i) Back Ground Details, Job Profile and suitability:**

**Mr. Kunal Oswal** aged about 46 years is the Whole time Director of the Company. He has joined the Board in January 2007. Thereafter he was appointed as Whole time Director of the Company at Board meeting held on 29.07.2007. He is a Commerce Graduate.

Mr. Kunal Oswal is brother of Mr. Rajneesh Oswal, Chairman & Managing Director and Mr. Vishal Oswal, Vice-Chairman & Managing Director.

Mr. Kunal Oswal is holding office of Director in the following companies.

1. Adeep Investment Company
2. Virat Investment & Mercantile Company
3. Jagvallabh Parasnath Capital Investment (P).Ltd.
4. Achin Investment & Mercantile Company
5. Levina Investment & Mercantile Company
6. Ojasvi Investment & Mercantile Company
7. Limelite consultants (P) Ltd.
8. Noble Share Trading (P) Ltd.
9. Sulzer Investments (P) Ltd

The Company had re-appointed Mr. Kunal Oswal as Whole time Director of the Company for a term of three years at 37th Annual General Meeting held on 7th September 2017. Accordingly the present term of appointment of Mr. Kunal Oswal expires on 31st July, 2020.

**ii) Past Remuneration**

The remuneration drawn by Mr. Kunal Oswal during last three years is as under:

Financial Year ended	Amount (₹ in lakhs)
31.03.2020	28.52
31.03.2019	28.77
31.03.2018	30.96

**iii) Remuneration proposed:**

The new remuneration package in the shape of Salary and Perquisites has already been stated above in the Explanatory Statement.

**iv) Pecuniary relationship**

Mr. Kunal Oswal, except his appointment as Whole time Director of the Company has no pecuniary relation with the Company and he is related to Mr. Rajneesh Oswal, Chairman & Managing Director and Mr. Vishal Oswal, Vice-Chairman & Managing Director.

**B. NAME: Mr. Anil Kumar****i) Back Ground Details, Job Profile and suitability:**

**Mr. Anil Kumar** aged 70 years is the Executive Director & CEO of the Company. He joined the Company as General Manager and was inducted to the Board as an Executive Director on

30th August 1988. He holds a degree in Engineering from Punjab Engineering College, Chandigarh and has done Masters in Business Administration from Punjab University. He has served as Finance Manager of Vardhman Spinning & General Mills Limited and has vast experience in the field of Finance and General Administration. He is associated with the Company right from beginning and contributed a lot to the progress of the company. Mr. Anil Kumar is also holding office of Director in Hero Ecotech Limited.

The Company had re-appointed Mr. Anil Kumar as Executive Director & CEO for a term of three years at 37th Annual General Meeting held on 7th September 2017. Accordingly the present term of appointment of Mr. Anil Kumar expires on 29th August, 2020.

#### ii) Past Remuneration

The remuneration drawn by Mr. Anil Kumar during last three years is as under:

Financial Year ended	Amount (₹ in lakhs)
31.03.2020	150.25
31.03.2019	150.99
31.03.2018	136.80

#### iii) Remuneration proposed:

The new remuneration package in the shape of Salary and Perquisites has already been stated above in the Explanatory Statement.

#### iv) Pecuniary relationship

Mr. Anil Kumar, except his appointment as Executive Director & CEO of the company, has no pecuniary relation with the Company.

#### C. Name: Mr. Rajneesh Oswal

##### i) Back Ground Details, Job Profile and suitability:

Mr. Rajneesh Oswal aged 54 years is the Chairman & Managing Director of the Company. He joined the Company as a Director on 30th June 1989 and was made the Executive Vice- Chairman of the Company in year 2003. Thereafter, he was appointed as the Vice-Chairman & Joint Managing Director of the Company in year 2006. He was appointed as Chairman & Managing Director of the Company on 20th March, 2007. He is a Commerce Graduate and has done Masters in Business Management. He has career spanning of over two and half decades in the field of industry and administration. His vast and rich experience has enabled the Company to achieve the good progress.

Mr. Rajneesh Oswal is Director (liable to retire by rotation) of the Company. He is also holding the Office of Whole Time Director designated as Managing Director in Adinath Textiles Ltd. and Director in the following companies.

1. Adeep Investment Co.
2. Virat Investment & Mercantile Co.
3. Jagvallahb Parasnath Capital Investments (P). Ltd.
4. Oasis Share Trading (P) Ltd.

Mr. Rajneesh Oswal was re-appointed as Chairman & Managing Director of the Company for three years w.e.f. 1st September, 2017 to 31st August, 2020 by the Members of the Company by passing of Special Resolution through Postal Ballot, the result of which was declared on 13th December 2017. The term of present appointment expires on 31st August 2020.

##### ii) Past Remuneration

The remuneration drawn by Mr. Rajneesh Oswal during last three years is as under:

Financial Year ended	Amount (₹ in lakhs)
31.03.2020	447.82
31.03.2019	354.05
31.03.2018	233.67

##### iii) Remuneration proposed:

The new remuneration package in the shape of Salary and Perquisites has already been stated above in the Explanatory Statement.

##### iv) Pecuniary relationship

Mr. Rajneesh Oswal, except his re-appointment as Chairman & Managing Director of the company has no pecuniary relation with the Company and he is related to Mr. Vishal Oswal, Vice-Chairman & Managing Director and Mr. Kunal Oswal, Whole time Director.

#### B. NAME: Mr. Vishal Oswal

##### i) Back Ground Details, Job Profile and suitability:

Mr. Vishal Oswal aged about 48 years is Vice-Chairman & Managing Director of the Company. He joined the Company as Manager (Commercial & Administration). He was inducted to the Board as a Director of the Company on 31st July 1999 and was made Whole Time Director of the Company. Mr. Vishal Oswal was made Vice-Chairman & Managing Director on 20th March 2007.

He is a Commerce Graduate and has a good experience of more than two decade in the field of management & administration. Mr. Vishal Oswal is holding the Office of Director in the following companies:

1. Achin Investment & Mercantile Co.
2. Levina Investment & Mercantile Co.
3. Ojasvi Investment & Mercantile Co.
4. Oasis Share Trading (P) Ltd.

Mr. Vishal Oswal was re-appointed as Vice-Chairman & Managing Director of the Company for three years w.e.f. 1st September, 2017 to 31st August, 2020 by the Members of the Company by passing of Special Resolution through Postal Ballot, the result of which was declared on 13th December 2017. The term of present appointment expires on 31st August 2020.

##### ii) Past Remuneration

The Remuneration drawn by Mr. Vishal Oswal during last three years is as under:

Financial Year ended	Amount (₹ in lakhs)
31.03.2020	447.83
31.03.2019	354.00
31.03.2018	233.57

##### iii) Remuneration proposed:

The new remuneration package in the shape of Salary and Perquisites has already been stated above in the Explanatory Statement.

##### iv) Pecuniary relationship

Mr. Vishal Oswal, except his re-appointment as Vice-Chairman & Managing Director of the company has no pecuniary relation with the Company and he is related to Mr. Rajneesh Oswal, Chairman & Managing Director and Mr. Kunal Oswal, Whole time Director.

#### 3. Comparative Remuneration

The Remuneration proposed to be paid to the appointee/(s) is in line with the remuneration paid to the Managing/Executive

directors of the other companies. Keeping in view the type of industry and the responsibilities and capabilities of the appointee(s), the proposed remuneration is competitive with remuneration paid by other companies to such similar positions.

#### 4. OTHER INFORMATION

The efforts of the management during last few years have resulted in turnaround of the Company. The Company did not incur losses during FY 2019-20.

#### DISCLOSURES

The remuneration package along with the corresponding details payable to Mr. Kunal Oswal, Whole time Director, Mr. Anil Kumar, Executive Director & CEO, Mr. Rajneesh Oswal, Chairman &

Managing Director and Mr. Vishal Oswal, Vice-Chairman & Managing Director have already been mentioned above. No performance incentive is proposed to be paid to Mr. Kunal Oswal, Mr. Rajneesh Oswal or Mr. Vishal Oswal. Further, the remuneration paid to directors has been included in the Corporate Governance Report.

The tenure of Mr. Kunal Oswal, Whole time Director, Mr. Anil Kumar, Executive Director & CEO, Mr. Rajneesh Oswal, Chairman & Managing Director and Mr. Vishal Oswal, Vice-Chairman & Managing Director shall be governed by a service contract. The aforesaid statements form part of this notice calling the Annual General Meeting.

*We would like to draw Shareholder's kind attention to the following urgent matters, which require their immediate action:*

#### PROCEDURE FOR THOSE SHAREHOLDERS, WHOSE EMAIL ADDRESSES AND/OR BANK DETAILS/MANDATE ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

We urge members to support the Green Initiative of the Government of India (GOI) by choosing to receive the communication from the Company through email. So, in case you wish to register/update your address, Email id or Bank Mandate\* etc, you can do the same:

**Physical holding:** Please send a duly signed request letter by the shareholder(s), to the Registrar & Share Transfer Agent of the Company, M/s. Skyline Financial Services Private Limited, (Unit: Shreyans Industries Limited), D-153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi -110 020, providing Folio No, Name of the shareholder and self- attested copy of PAN & AADHAR card, for registering the e-mail address. Following additional details & documents need to be provided for updating Bank Account details\*:

- Name and branch of the Bank in which you wish to receive the dividend\*.
- Bank account type.
- Bank account number allotted by your Bank, after implementation of Core Banking solutions.
- Nine Digit MICR Code Number.
- Eleven digit IFSC Code and
- A scanned copy of cancelled cheque bearing the name of the first shareholder (if name is not printed, bank attested copy of the first page of pass book showing name of account holder)

**Demat holding:** Please contact your Depository Participant (DP) and register your e-mail address and/ or Bank account details\*, in your demat account, as per the process advised by your DP.

\*Please note that, no dividend will be declared in the 40th AGM of the Company, however, in order to receive any future dividend directly in your bank account, kindly register/update your bank account details with the Company.

#### DEMATERIALISATION OF SHARES

The SEBI vide its circular no. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that w.e.f. April 1, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless these securities are held in the dematerialized form with a depository. In light of same shareholders are requested to kindly convert their physical shares in Demat form to avoid hassle in transfer of shares.

#### CONSOLIDATION OF MULTIPLE FOLIOS

The members holding more than one share in the same name or joint names in the same order but under different ledger folios are requested to apply for consolidation of such folios into a single folio and accordingly send a request letter duly signed by the shareholder and the relevant share certificates alongwith the self-attested copy of PAN card and Aadhar card to the Registrars and Share Transfer Agent (RTA) of the Company, to enable them to consolidate all such multiple folios into one single folio.

#### PERMANENT ACCOUNT NUMBER (PAN)

The SEBI has mandated submission of Permanent Account Number [PAN] by every participant in the Securities Market. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participants. Members holding shares in physical form are required to submit their PAN details to RTA.

#### UNCLAIMED DIVIDEND AND SHARES

The members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA at the address: Skyline Financial Services Private Limited, (Unit: Shreyans Industries Limited), D-153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110 020, [www.skylinerta.com](http://www.skylinerta.com) or with the Company Secretary, at the Company's registered office. The members are requested to note that, dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). The Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules. Therefore, it is in the interest of Shareholders to regularly claim dividend declared by the Company. All the details related to unclaimed dividend and IEPF transfers etc, are updated from time to time on website of the Company i.e. [www.shreyansgroup.com](http://www.shreyansgroup.com). The Shareholders may note that, even upon transfer of unpaid dividend and corresponding shares to the IEPF, they can claim the said shares alongwith dividend(s) from IEPF for which detailed procedure and requirements are available at [www.iepf.gov.in](http://www.iepf.gov.in).



## ANNEXURE TO ITEM NOS. 3, 6, 7, 8, 9 &amp; 10 OF THE NOTICE

Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting  
(in pursuance of Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Name of the Director	Kunal Oswal	Anil Kumar	Rajneesh Oswal	Vishal Oswal	Ramesh Chander Juneja
DIN	00004184	00009928	00002668	00002678	07804729
Date of Birth	22.11.1974	02.08.1950	27.06.1966	01.09.1972	13.01.1953
Date of Appointment on the Board	29.01.2007	30.08.1988	30.06.1989	31.07.1989	13.11.2019
Expertise in specific functional areas	Experience in Business Management	Finance and General Administration	Business Management	Management & Administration	Management, Sales & Administration and insurance consultant (professional)
Qualifications	Commerce Graduate	MBA, B.Sc. (Engg.)	MBA	Commerce Graduate	Commerce Graduate
Directorship of other public limited companies	NIL	Hero Ecotech Limited	Adinath Textiles Limited	Adinath Textiles Limited	Adinath Textiles Limited Shreyan Financial & Capital Services Limited
Memberships of Committees of other public limited companies (mandatory committees only)	NIL	NIL	Stakeholder's Relationship Committee (Adinath Textiles Limited)	NIL	Audit Committee, Nominations & Remuneration Committee, Stakeholder's relationship Committee (both companies)
Disclosure of relationship between directors inter-se	Mr. Kunal Oswal is brother of Mr. Rajneesh Oswal and Mr. Vishal Oswal.	Mr. Anil Kumar does not have any relation with other directors, manager & KMPs.	Mr. Rajneesh Oswal is brother of Mr. Vishal and Mr. Kunal Oswal.	Mr. Vishal Oswal is brother of Mr. Rajneesh Oswal and Mr. Kunal Oswal.	Not related with other directors, promoter, Manager and KMPs.
No. of shares held in the Company	85,250	1,325	6,250	NIL	NIL

By order of the Board  
For Shreyans Industries Limited  
Sd/-  
Ruchita Vij  
Company Secretary  
FCS 9210

Dated : June 29, 2020  
Place : Ludhiana  
Regd. Office: Village: Bholapur, P.O. Sahabana,  
Chandigarh Road, Ludhiana 141 123  
CIN: L17115PB1979PLC003994  
Tel.: +91-161-6574125, 98761-00948  
Fax: +91-161-2685270  
Email: cs@shreyansgroup.com , atl@shreyansgroup.com  
Website: www.shreyansgroup.com

**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present the 40<sup>th</sup> Annual Report on the operational and financial performance of the Company along with Audited Financial Statements for the year ended 31<sup>st</sup> March 2020.

Financial Performance		(₹ in lakhs)	
PARTICULARS	2019-20	2018-19	
Revenue from operations	54,030.92	57,390.91	
Other Income	602.40	598.23	
<b>Total</b>	<b>54,633.32</b>	<b>57,989.14</b>	
Profit before Interest & Financial Charges, Depreciation, Exceptional Items and Tax	4,768.07	8,624.02	
Less: Interest & Financial Expenses	460.54	636.99	
Less: depreciation	1,053.04	938.64	
Profit before Tax	3,254.49	7,048.39	
<b>Less: Provision for taxation</b>	<b>58.38</b>	<b>2,353.36</b>	
Profit after taxation	3,196.11	4,695.03	
Other comprehensive income/ (loss) [net of tax]	(77.05)	(29.28)	
Total Comprehensive Income	3,119.06	4,665.75	

**CORPORATE REVIEW**

During the year under review, your Company has achieved a production of 88,307 MTs as against 89,562 MTs in the previous year. Total revenue of the Company was ₹546.33 crores against ₹579.89 crores of last year; Profit before interest & financial charges and depreciation stood at ₹47.68 crores. Net profit after tax stood at ₹31.96 crores against ₹46.95 crores of last year.

Prices of writing and printing paper, after having shown a significant increase in the earlier year, started coming down during the year under review and this trend of fall in prices continued in major part of the year. This resulted in fall in revenue of the Company despite production being only marginally lower. This coupled with normal increase in prices of some inputs and other overheads resulted in fall in profits of the Company.

4th quarter was also impacted due to Covid-19 pandemic outbreak resulting in nationwide lockdown which has resulted in marginal fall in production and also the profitability.

However, due to continuous investments done in new technology and improvement in operation parameters, this fall in profitability could be kept to the minimum.

Profits were also impacted as all investments in securities are recognized on fair value basis and there was a mark to market loss of ₹11.94 crores due to sharp correction in Stock Market due to lockdown in March 2020, which we feel is temporary in nature and should recover in due course of time.

**PERFORMANCE REVIEW**

Our focus for the last few years has been on enhancement of our product quality and at the same time reduction in costs and

increase in efficiencies. These initiatives were pursued with vigour during the year under review with significant positive results. The performance of both units of the Company is as follows:

**SHREYANS PAPERS**

Total production of paper in this unit was 51,088 MTs, which was higher as compared to last year level of 49,858 MTs. Capital expenditure planned during the current year includes strengthening of bleach plant to improve the quality of end product and optimize the consumption of chemicals. Also, a higher capacity captive power plant in this unit has been planned, which will meet entire requirements of electrical power in this unit at a much lower cost as compared to grid tariff, thus adding to bottom line of the Company. Both the above major projects are expected to be commissioned in 3rd quarter of the current year. This will help the unit to further improve its operations in terms of quality, cost effectiveness and better environmental performance.

**SHREE RISHABH PAPERS**

Total paper production in this unit was 37,219 MTs which was slightly lower as compared to last year's production of 39,704 MTs. Capital expenditure proposed in this unit includes provision of Oxygen Delignification stage in the pulp mill, additional fluidized bed reactor for Chemical Recovery to meet the enhanced requirement of the plant, heated calendars and steam condensate system at paper machine to improve the quality and optimize the steam consumption. These are also expected to be completed in the 3rd quarter of the current year and would add value to the operations of the unit.

**FINANCIAL REVIEW****EQUITY SHARE CAPITAL**

The paid up Equity Share Capital as on 31st March 2020 was ₹13.82 crores. During the year under review, the Company has neither issued any shares nor granted stock options and nor sweat equity.

**FINANCE**

An amount of ₹3.59 crores, out of existing term loan of ₹13.55 crores were repaid during the year. Fresh term loan for ₹19.31 crores have been availed during the year. Overall financial cost relating to borrowings has declined during the year.

**EXTERNAL CREDIT RATING**

During the year under review, CARE Ratings Limited has reviewed the external credit rating for the Long Term, Short term Bank facilities and Fixed Deposits of the company and has reaffirmed and assigned the rating. The facility wise rating is as under:

Facilities	Amount (₹/Cr)	Upgraded Rating
Long Term Bank Facilities	62.87	CARE A-; Stable [Single A minus; Outlook: Stable]
Short Term Bank Facilities	44.00	CARE A2+ [A two Plus]
Medium Term instruments- Fixed deposits	5.56	CARE A- [FD]; Stable [A minus (Fixed deposit)]; Outlook: Stable] (assigned)

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**OTHER EQUITY**

The Company does not propose to carry any amount to any reserves.

**DIVIDEND**

Your Directors had declared an interim dividend of ₹3/- per equity share for the financial year 2019-20. Keeping in view the situation caused due to COVID-19, your Directors have not recommended any additional dividend. The Interim Dividend be treated as final dividend for the financial year 2019-20 [previous year: final dividend of ₹5 per equity share including a one-time Special Dividend of ₹3/- per share].

During the year under review, the Company was not required to transfer any amount/shares to the Investor Education and Protection Fund (IEPF).

The details related to unclaimed/unpaid dividend and IEPF due dates of transfer, is given in Corporate Governance Report.

**DEPOSITS** (₹ in Crores)

PARTICULARS	From Public	From Directors
(a) accepted during the year;	1.37	---
(b) remained unpaid or unclaimed as at the end of the year;	---	---
(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-		
(i) at the beginning of the year;	---	---
(ii) maximum during the year;	---	---
(iii) at the end of the year;	---	---
(d) The details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.	---	---

At the end of the year, fixed deposits from the public were outstanding to the tune of ₹5.62 crores. There were no overdue deposits as on 31st March 2020.

**FUTURE PLANS/PROSPECTS**

Details of proposed capital expenditure have been discussed while reviewing the performance of both the units. Capital expenditure planned will help the Company in improving its operations in terms of quality and operating parameters and better cost effectiveness.

However, operations of the Company have been severely affected due to current Covid-19 pandemic spread. Production operations in both the units had to be suspended due to lockdown in 4th week of March 2020 and production could start only towards end of April 2020. As you are aware that your Company is engaged in manufacture of writing and printing paper and education sector is the biggest user/consumer of writing and printing paper. Due to Covid-19, all schools, colleges and other educational institutions have been shut down right from March 2020 till date and even as on date there is no clear indication when these institutions will reopen. This has severely affected the consumption and demand of paper and

consequently operations of the Company have been adversely affected. While on one end the demand of paper has come down significantly, the prices of paper have also corrected very sharply. Both the units currently are operating on significantly reduced capacity. We are keeping a close watch on situation and are making all out efforts to minimize the impact of this challenging situation. Based on the current estimates, we do not envisage any default in meeting our financial and other obligations and do hope that things should start improving from 3rd quarter of current year.

**NUMBER OF MEETINGS HELD**

The details of Board and Committee Meetings held in FY 2019-2020 are given in the Corporate Governance Report.

**DIRECTORS/ KEY MANAGERIAL PERSONNEL**

Mr. Kunal Oswal, Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting under Article 86[1] of Article of Association of the Company and being eligible, offers himself for reappointment.

Your directors were deeply mourned to take note of sudden and sad demise of Dr. N.J. Rao, Independent Director on 15th July 2019. Dr. N.J. Rao, Non-Executive Independent Director was appointed on the Board of the Company in year 2003 and the Company had immensely benefitted from his valuable contributions throughout his tenure of directorship.

Based on recommendation of the Nomination and Remuneration Committee of the Company, the Board in its meeting held on 13th November 2019, has considered and recommended the appointment of Mr. Ramesh Chander Juneja (DIN 07804729) as an Additional Director (Non-Executive Independent) on the Board of the Company. Further, the Board is seeking to appoint Mr. Ramesh Chandra Juneja as Director (Non-Executive Independent) for a term of 5 (five) years.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149[6] of the Companies Act, 2013 and Regulation 16[1][b] of the SEBI [Listing Obligations & Disclosure Requirements] Regulations, 2015].

There were no changes in Key Managerial Personnel during the year under review.

**BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out as an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance.

**REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration. The said policy has been uploaded on the website of the Company and there was no change in the policy during the year under review. The key provisions of Nomination and Remuneration policy are appended as an **Annexure I** to the Board's report.

**AUDIT COMMITTEE**

The Company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations.

The composition of the Audit Committee is given in Corporate Governance Report.

All the recommendations of the Audit Committee were accepted by the Board.

#### **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted the Whistle Blower Policy/Vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. Such mechanism/policy is also uploaded on the website of the Company.

#### **STATUTORY AUDITORS**

At 37th Annual General Meeting held on 7th September 2017, M/s K.C. Khanna & Company, were appointed as Statutory Auditors of the Company to hold office from 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting.

The Auditors' Report on the accounts of the Company for the year under review requires no comments. Further, there were no frauds reported by the Statutory Auditors of the Company during the period under review neither under Section 143(12) of neither the Act nor which are reportable to the Central Government.

#### **COST AUDIT**

M/s Rajan Sabharwal & Associates were appointed as Cost Auditors of your Company for auditing the cost accounts records for Financial Year 2019-20 under provisions of Section 148 of the Companies Act, 2013. They are likely to submit Cost Audit Report within the prescribed time limit.

Furthermore, the Board has re-appointed M/s Rajan Sabharwal & Associates as Cost Auditors of the Company for Financial Year 2020-21.

#### **SECRETARIAL AUDIT**

M/s P.S. Bathla & Associates, Practising Company Secretaries at Ludhiana, were appointed to conduct the secretarial audit of the Company for Financial Year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit Report for Financial Year 2019-20 is appended as an **Annexure II** to the Board's Report.

The Secretarial Auditors' Report for the year under review requires no comments.

The Board has re-appointed M/s P.S. Bathla & Associates, Practising Company Secretaries, Ludhiana as Secretarial Auditor of the Company for Financial Year 2020-21.

#### **RELATED PARTY TRANSACTIONS**

All Related Party transactions entered during the financial year were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval.

Since, there were no contracts/ arrangements/ transactions

which were not at arm's length basis or material with Related Party during the year; disclosure in form AOC-2 is not applicable.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the rules there under and Listing Regulations.

This Policy as considered and approved by the Board has been uploaded on the website of the Company at [http://www.shreyansgroup.com/upload/c1449201532SIL\\_Related\\_Party\\_Transaction\\_Policy\\_01\\_11\\_2015.pdf](http://www.shreyansgroup.com/upload/c1449201532SIL_Related_Party_Transaction_Policy_01_11_2015.pdf)

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 is appended as an **Annexure III** and forms an integral part of this report.

#### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as of 31st March 2020 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014 and forming part of the report is placed at the website of the Company as per provisions of Section 134 [3][a] of the Companies Act, 2013.

#### **INDUSTRIAL RELATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company has been addressing various risks through well defined risk management policy/procedures, which in the opinion of the Board may threaten the existence of the Company.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company had laid down adequate internal financial controls with reference to financial statements. During the year such controls were tested and no material weakness in their operating effectiveness was observed.

#### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Financial statements for the year ended March 31st, 2020 have been prepared in accordance with Indian Accounting Standards [Ind-AS], the provisions of the Company Act, 2013, and guidelines issued by the Securities and Exchange Board of India [SEBI]. The Ind-AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies [Indian Accounting Standards] Rules, 2015 and relevant amendment rules issued thereafter.

#### **ASSOCIATES AND SUBSIDIARIES**

The Company has no Associates & Subsidiaries as on 31st March, 2020.

#### **CORPORATE GOVERNANCE**

As per the provisions of Listing Regulations, a separate Report on Corporate Governance practices followed by the Company together with a Certificate from the Practising Company Secretary, confirming compliance forms part of this report.

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

As required under Section 134[3][m] of the Companies Act, 2013 read with Rule 8 of Companies [Accounts] Rules, 2014 the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is appended as an **Annexure IV** to the Board's Report.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Your Company, in collaboration with a local NGO in Ahmedgarh, has set up an Eye Hospital. Besides contributing in setting up of this hospital, financial assistance is extended on monthly basis. Eye care is provided to needy persons on subsidized rates/free of cost.

Your Company is also proposing to contribute towards expansion of facilities in the hospital and substantial amount will be contributed towards cost of new building and equipment during the current year.

Your Company has also contributed substantially towards Government's efforts to combat Covid-19 challenge by contributing to both the central and state institutions.

Your Company is also involved with various educational institutions for providing scholarship/financial assistance to deserving students on recommendations of the managements of such institutions. Your company actively participates with number of NGOs for holding medical check-up camps, sports events and other social activities.

Your Company provides fire fighting services, as and when need arises, in nearby areas through its own fire tender and fire fighting staff.

Annual Report on Corporate Social Responsibility [CSR] activities is appended as an **Annexure V**.

**CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business.

**MATERIAL CHANGES**

No material changes or commitments affecting the financial position of the Company have occurred during the year under consideration, or after closure of the financial year till the date of this report. However, the operations for the current year 2020-21 will be impacted due to the closure of operation in April 2020 due to Covid-19 pandemic outbreak, nationwide lockdown and curfew imposed in various states.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**GENERAL DISCLOSURES**

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. The Company has already complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of women at workplace [Prevention and Redressal] Act, 2013. There were no complaints/cases reported with internal complaints committee formed under the Sexual Prohibition and Redressal] Act, 2013.

**ACKNOWLEDGEMENT**

Your directors place on record their sincere appreciation for the contributions made by the employees through their dedication, hard work and commitment in achieving your Company's performance. In an increasingly competitive environment collective dedication of employees is delivering superior and sustainable shareholder value.

The Board has pleasure in recording its appreciation of the assistance, co-operation and support extended to the Company by the Government Authorities, Commercial Banks, Financial Institutions and Depositors.

The Board also places on record its sincere appreciation towards the Company's valued customers, vendors, shareholders and investors for their continued support to the Company.

For and on Behalf of the Board

Sd/-  
Rajneesh Oswal  
Chairman & Managing Director  
(DIN : 00002668)

Place : Ludhiana  
Date : June 29, 2020

**Annexure I****NOMINATION AND REMUNERATION POLICY**

The Key provisions of the Nomination and Remuneration policy are given below:

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

The Nomination and Remuneration policy for executives reflects the remuneration philosophy and principles of the Shreyans Group. When determining the remuneration policy and arrangements for Executive Directors/KMP's, the Nomination and Remuneration Committee shall consider pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination and Remuneration Committee while considering a remuneration package must ensure a balanced approach reflecting short and long term performance objectives appropriate to the working of the company and its goals. The Committee shall consider that a successful remuneration policy must ensure that any increase in the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The Nomination and Remuneration policy is guided by common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

Remuneration packages are designed to attract high-caliber executives in a competitive market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance. Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.

Executive remuneration shall be proposed by the Committee and subsequently approved by the Board of Directors. Executive remuneration is evaluated annually against performance and a benchmark of other companies, which in size and complexity are similar to Shreyans. Benchmark information is obtained from recognized compensation service consultancies/other relevant sources. In determining packages of remuneration, the Committee may consult with the Chairman/ Managing Director as appropriate.

Information on the total remuneration of members of the Company's Board of Directors and KMPs shall be disclosed in the Company's Annual Report.

The Company may grant any advance salary/loan to employees of the Company at concessional/Nil interest rates as it deems fit subject to tax laws.

The Board may delegate the appointment and remuneration powers in case of Sr. Management Personnel (except KMPs and Directors) to the Chairman & Managing Director and/or

Vice-Chairman & Managing Director and/or Executive Director and CEO by way of Board Resolution.

The appointment letters of all Sr. Management Personnel, KMPs and Directors shall draw reference to the fact that the appointment and remuneration is in accordance with the Nomination and Remuneration Policy of the Company.

**Annexure II****Form No. MR-3****SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Shreyans Industries Limited

Vill. Bholapur, P. O. Sahabana

Chandigarh Road, Ludhiana-141123

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shreyans Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1st April, 2019 to 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **Shreyans Industries Limited** ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the rules made there under;
  - II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and By-laws framed there under;
  - 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 as the Company has not issued any shares during the year under review)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not issued any shares/options to directors/employees under the said guidelines/regulations during the year under review)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issued Debt Securities during the Audit Period under review)
- (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; (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer agent during the Financial Year under review)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period as there was no event in this regard)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review)

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

- (i) The Secretarial Standards issued by The Institute of Company Secretaries (ICSI) of India.
- (ii) The SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015

I, Report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

## 2. I, further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one women Director. 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.

Adequate notice is given to all directors to schedule the Board Meetings and agenda, detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

I further report that based on the information received and records maintained 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.

For P S Bathla & Associates

Parminder Singh Bathla  
Company Secretary

Place : Ludhiana  
Dated : June 29, 2020

FCS No. 4391  
C.P No. 2585

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

'Annexure A'

To,

The Members,  
Shreyans Industries Limited  
Vill. Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana-141123

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

- Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and process 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. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- 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 P S Bathla & Associates

Parminder Singh Bathla  
Company Secretaries

Place : Ludhiana  
Dated : June 29, 2020

FCS No. 4391  
C.P No. 2585  
UDIN : F004391B000373628

## Annexure III

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company and Directors is furnished hereunder:

1 (i)

Name of the Director/KMP and Designation	Remuneration in Fiscal 2020 (₹ in lakhs)	% Increase in remuneration from previous year	Ratio of Remuneration to MRE*
Rajneesh Oswal (Chairman and Managing Director)	447.82	26.48	185.05
Vishal Oswal (Vice-Chairman and Managing Director)	447.83	26.50	185.05
Kunal Oswal (Whole Time Director)	28.52	(0.86)	11.79
Anil Kumar (Executive Director & CEO)	150.25	(0.49)	62.08
R K Mahajan (Chief Financial Officer)	17.24	13.95	7.12
Ruchita Vij (Company Secretary)	8.20	14.21	3.39

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

\*MRE-Median Remuneration of Employee based on annualized salary

- (ii) The median remuneration of employees of the Company during the financial year was ₹2.42 lakhs p.a;
- (iii) In the financial year, there was an increase of 13% in the median remuneration of employees;
- (iv) There were 1,350 permanent employees on the rolls of the Company as on March 31, 2020;
- (v) Average percentile increase in the salaries of employees other than the managerial personal in the last financial year i.e. 2019-20 was 6.84% whereas, the percentile increase in the managerial remuneration for the same financial year was 23.65%.
- (vi) it is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

**2 Details of top ten employees in terms of remuneration:**

Name of Employee	Designation of the employee	Remuneration received* ₹ in lakhs	Qualifications	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last employment held by such employee before joining the Company	%age of equity shares held by the employee in the Company	Whether relative of any Director or Manager of the Company
Rajneesh Oswal	Chairman and Managing Director	447.82	MBA from USA	31	30-06-1989	54	Executive Director Adlnath Textiles Limited	0.05%	Rajneesh Oswal, Vishal Oswal and Kunal Oswal are real brothers
Vishal Oswal	Vice Chairman and Managing Director	447.83	B.Com	25	03-08-1995	48	---	---	
Kunal Oswal	Whole Time Director	28.52	B.Com	23	29-01-2007	46	---	0.62%	



Name of Employee	Designation of the employee	Remuneration received ₹ in lakhs	Qualifications	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last employment held by such employee before joining the Company	%age of equity shares held by the employee in the Company	Whether relative of any Director or Manager of the Company
Anil Kumar	Executive Director & CEO	150.25	MBA B.Sc (Engg.)	47	01-04-1983	70	Vardhman Group	0.01	Director
Ashok Kumar Goyal	President	34.97	B.Com LLB, DBM FCS, MEP	37	09-04-2018	60	Vardhman Polytex Limited	---	No
Arun Kumar Kapoor	Sr. Vice President	27.53	A.C.A	40	01-04-1987	62	Arihant Fabrics Ltd.	---	No
Jagdeesa Panchami	Vice President	22.98	Intermediate	56	02-03-1991	77	Anil Steel & Ind. Ltd.	---	No
Vijay Kumar Singla	Vice President	22.07	Diploma [Mech. Engg.]	41	21-11-1981	61	Maghan Paper Mill	---	No
Arun K. Goel	Vice President	23.97	M.A. (Eco.) PGD (PM)	37	09-08-1999	60	Bharti Telecom Ltd.	---	No
Narendra Kumar Jain	Senior General Manager	23.69	Diploma in Civil Engg.	45	16-10-1980	66	Modi Cloth Mill	---	No

Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹102 lakhs per annum.

Name of Employee	Designation of the employee	Remuneration received* ₹ in lakhs	Qualifications	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last employment held by such employee before joining the Company	%age of equity shares held by the employee in the Company	Whether relative of any Director or Manager of the Company
Rajneesh Oswal	Chairman & Managing Director	447.82	MBA from USA	31	30-06-1989	54	Executive Director, Adinath Textiles Limited	0.05%	Rajneesh Oswal, Vishal Oswal and Kunal Oswal are real brothers
Vishal Oswal	Vice-Chairman & Managing Director	447.83	B.Com	25	03-08-1995	48	---	---	
Anil Kumar	Executive Director & CEO	150.25	MBA, BSC (Engg)	47	01-04-1983	70	Vardhman Group	0.01%	Director

None of the Employee was employed for a part of the financial year and separated, who were in receipt of remuneration at the rate of not less than ₹8.50 lakhs per month.

#### Annexure IV

#### INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS

##### A) CONSERVATION OF ENERGY

Energy Conservation is an ongoing process in the Company. New areas of power savings are continuously identified and action being taken wherever feasible. The Company continued its efforts to improve energy usage efficiencies and increase the share of renewable energy. Various key performance indicators like specific energy (energy consumed per unit of production), specific energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach.

##### (i) Steps taken or impact on conservation of energy:

- Improvement in energy usage efficiency in lighting systems by installation of more efficient lighting solutions such as Light Emitting Diodes in phased manner.
- Retrofitting and replacement of motors, pumps, fans, air compressors, vacuum and air conditioning systems with higher energy efficiency equipment in phased manner.
- Installation of variable frequency drives to optimize energy consumption in a phased manner.
- Reduction in line losses from steam pipelines by optimizing the network.
- Implementation of blow heat recovery in pulp mill to improve efficiency for optimum usage of steam.
- Optimisation of compressed air systems to minimise losses and reduce energy consumption.

##### ii) Steps taken for utilising alternate sources of energy:

- Generation of biogas from waste to meet process heating requirements.
- The Company is exploring potential of using alternate source of energy, which may be considered for implementation in future

##### (iii) Capital investment on energy conservation equipment during the year: NIL

**B) TECHNOLOGY ABSORPTION**

Your company is keeping a close eye on the new product development in paper and up-gradation of technology in existing products. Upgradation and automation in various areas of plant and machinery is continuously carried out.

**(i) Efforts made towards technology absorption:**

- Speed increase of paper machines at both the units helped increase production.
- In house steam & condensate modification at unit in Ahmedgarh
- Upgradation of Wire part and Third press at Paper machine at unit in Ahmedgarh.

**ii) Benefits derived:**

The initiatives have enabled the company in terms of product & quality improvement, cost reduction, product development and enhance customer satisfaction.

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

Sr. No.	a. Details of Technology	b. Year of Import
1	Head Box and Dryers	2017-18

c. whether the technology has been fully absorbed: Yes

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A

**iv) Details of Expenditure on Research and Development are given in Note no. 51 to Financial Statements.****C. FOREIGN EXCHANGE EARNING AND OUTGO**

Details of expenditure in foreign exchange and earnings in foreign exchange are given below:

	₹ In lakhs
Expenditure in Foreign Exchange	3,757.22
Earnings in Foreign Exchange	66.23

**Annexure V****Corporate Social Responsibility (CSR)**

[Pursuant to Section 134 (3) (o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

**Weblink of CSR Policy:** [http://www.shreyansgroup.com/upload/c1426228101Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.shreyansgroup.com/upload/c1426228101Corporate_Social_Responsibility_Policy.pdf)

**2. The Composition of the CSR Committee.**

Name	Designation
Rajneesh Oswal, Chairman & Managing Director	Chairman
Vishal Oswal, Vice-Chairman & Managing Director	Member
Anil Kumar, Executive Director & CEO	Member
A. K. Chakraborty, Independent Director	Member

**3. Average net profit of the company for last three financial years**

Particulars	Year ended			Average
	31.03.2019	31.03.2018	31.03.2017	
Net Profit (₹ in lakhs)	4,597.65	4,552.11	3,561.75	4,237.17

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

Two Percent of the amount as in item 3 above: ₹ 84.74 lakhs

Unspent amount from previous year: ₹ 33.52 lakhs

The Company was required to spend ₹ 118.26 lakhs towards CSR.

## 5. Details of CSR spent during the financial year.

(a) Total amount spent for the financial year; ₹ 52.72 lakhs

(b) Amount unspent, if any ; ₹ 65.54 lakhs

(c) Manner in which the amount spent during the financial year.

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
₹ in lakhs							
1	Promoting education, eradicating poverty, hunger and malnutrition, especially in rural areas, empowering women economically, supplementing primary education and participating in rural capacity building programmes and such other initiatives	Literacy	Ahmedgarh, Ropar, Ludhiana (Punjab)	30.00	22.30	90.92	*
2	Promoting preventive healthcare, sanitation, family welfare, community hospitals and rural development programmes especially in rural areas.	Health Care	Ahmedgarh, (Punjab)	40.00	8.56	70.27	*
3	Contribute towards improvement in standard of Environment, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.	Live Stock	Ahmedgarh, Ludhiana (Punjab)	2.00	0.63	4.04	*
4	Contribute towards training to promote cultural & rural sports, nationally recognized sports, Paralympics and Olympics sports	Sports	Ahmedgarh, (Punjab)	5.00	2.05	5.45	*
5	Contribute towards development of infrastructure of village's schools, health care centers and hospitals. Includes contribution/ donation to relief funds or any other fund set up by Central Government for socio economic development and relief.	Community Welfare	Ahmedgarh, (Punjab)	41.00	19.18	32.94	*
<b>Total</b>				<b>118.00</b>	<b>52.72</b>	<b>203.62</b>	

**\* Details of the Implementing Agencies :**

- |   |   |
|---|---|
| 1. Darshan Kumar Oswal Public Charitable Trust, Ludhiana          | 10. GuruNanak Mission Sewa Society, Ahmedgarh           |
| 2. SOS Children Villages of India, New Delhi                      | 11. Shree Radhey Krishna Gau Dham Trust Regd., Ludhiana |
| 3. Virjanand Samarak Samiti Trust, Kartarpur (PB)                 | 12. Christian Medical College and Hospital, Ludhiana    |
| 4. Sewa Bharti Regd., Ahmedgarh                                   | 13. Shri Parasnath Public Charitable Trust, Ludhiana    |
| 5. Lion Service Trust Regd, Ahmedgarh                             | 14. Elementary School Teachers, Tonsa, Ropar            |
| 6. V V Reasearch Institute Hoshiarpur, Punjab                     | 15. Indian Red Cross Society, Ludhiana                  |
| 7. Sh Sh 1008 Swami Rameshwar Giri Charitable Hospital, Ahmedgarh | 16. District Red Cross Society, Nawanshahar             |
| 8. Palampur Rotary Eye Foundation                                 | 17. Pehal Society, Sangrur                              |
| 9. Social Welfare Organization Regd., Ahmedgarh                   | 18. Savera Charitable Trust, Chandigarh.                |

6. The Company has spent ₹52.72 lakhs (approx 68%) in the Financial year 2019-20 on activities as provided in Para 5 (c ) above. The CSR Committee plans to contribute towards construction of building for Hospital "Sh Sh 1008 Swami Rameshwar Giri Charitable Hospital, Ahmedgarh" during the year 2020-21. The estimated contribution of the Company for the construction of building is around ₹30 lakhs. The Company has also contributed to PM CARES Fund during the month of April 2020.

## 7. Responsibility Statement:

"It is hereby affirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company."

(Sd/-)

**RAJNEESH OSWAL**  
**CHAIRMAN & MANAGING DIRECTOR**  
**(CHAIRMAN- CSR COMMITTEE)**

Place : Ludhiana  
Dated : June 29, 2020

(Sd/-)

**ANIL KUMAR**  
**EXECUTIVE DIRECTOR & CEO**  
**(MEMBER- CSR COMMITTEE)**

Place : Ludhiana  
Dated: June 29, 2020

**MANAGEMENT DISCUSSIONS AND ANALYSIS**

Your Company is a public limited Company established in 1979 to manufacture Writing and Printing Paper with a capacity of 10,000 MTs per annum. The mill is located at Ahmedgarh, District Sangrur [Punjab]. In 1994, your Company purchased the paper division of M/s Zenith Limited situated at village Banah, District S.B.S. Nagar in Punjab. After certain modifications in both the paper divisions, the combined present capacity for manufacture of Writing and Printing Paper stands at 94,000 MTs per annum.

The Indian Paper Industry has made rapid progress in last few years and today contributes almost about 7% of the average World's production of paper. Paper industry in the country is highly fragmented with over 750 mills across the country in varying sizes with capacity right from 10-15 MTs per day to 1000 MTs plus per day. While there is no official estimate of total installed capacity but as per data Collated by Indian Pulp and Paper Technical Association [IPPTA] the present capacity is estimated at 24 million tonnes per annum. Based on usage of raw material, Paper Mills are divided into three categories namely, wood-based, agro-based and waste paper based [recycled fiber]. Your Company uses agro residues, viz. wheat straw, sarkanda as the primary raw materials. Almost 80% of production comes out from waste paper based mills, while agro based mills contribute hardly 5%-6% and balance from wood based mills.

While Writing and Printing Paper contributes to about 30% - 35% of the total capacity, most of the production comes from industrial and packaging sector which accounts for more than 55% of total production. Newsprint is about 7% - 8% of total production while Specialities including tissue paper has very small percentage. Consumption of paper per capita in India is very low at about 18 kgs per year against 57 kgs per capita per year being the World average. However, India remains one of the fastest growing market for paper globally and has witnessed a CAGR of about 6% during last many years and this momentum is likely to continue. Main consumer/user of writing and printing paper in India is the education sector and as great emphasis being placed by the Govt. to improve the literacy rate in the country, growth of this sector is expected to remain robust.

After a considerable increase in paper prices during the year 2018-19, due to various internal and external factors, the prices of writing and printing paper cooled down during 2019-20 and on year-to-year basis this fall was more than 12% - 15%. However, prices of paper improved in the 4th quarter of 2019-20 till the entire industry came to a standstill due to lockdown declared after Covid-19 pandemic and there has been a continuous decline in prices and demand of paper thereafter due to closure of all educational institutions and other activities.

**FINANCIAL PERFORMANCE AND ANALYSIS**

The discussions in this section relate to the financial results pertaining to the year ended March 31, 2020 prepared in accordance with the Indian Accounting Standards [referred to as 'Ind AS'] prescribed under section 133 of the Companies Act, 2013, read with the Companies [Indian Accounting Standards] Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements. The following table gives an overview of the financial result of the Company.

(₹ in lakhs)

	Year ended 31 March 2020	% of Revenue	% Growth/Fall	Year ended 31 March 2019	% of Revenue
Revenue	54,030.92	100.00%	(5.85%)	57,390.91	100.00%
Earnings before interest, tax, depreciation and amortisation (before other income)	4,165.67	7.71%	(48.10%)	8,025.79	13.98%
Profit Before Tax (PBT)	3,254.49	6.02%	(53.83%)	7,048.39	12.28%
Profit after tax attributable to shareholders of the Company	3,119.06	5.77%	(33.15%)	4,665.75	8.13%
Earnings per share (in ₹)	23.12	-	(31.93%)	33.96	-

Previous year's figures have been regrouped for comparison with current year's presentation where ever necessary.

**KEY FINANCIAL RATIOS**

In accordance with the SEBI [Listing Obligations and Disclosure Requirements 2018] [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. The Company has identified the following ratios as key financial ratios:

	Unit	Year ended 31 March 2020	Year ended 31 March 2019	% Change
Debt Equity Ratio	times	0.27	0.16	67.57
Current Ratio	"	1.47	1.69	(12.85)
Receivables Outstanding in Days to Sales	days	18.76	25.07	(26.99)
Inventory in days to Cost of goods sold	"	28.40	28.74	(1.18)
Interest Coverage Ratio	times	10.05	14.20	(29.23)
Operating Profit Margin	%	5.57	12.17	(54.20)
Net Profit Margin	%	5.77	8.13	(28.99)

**RATIOS WHERE THERE HAS BEEN A SIGNIFICANT CHANGE AS COMPARED TO PREVIOUS YEAR**

Writing and Printing industry witnesses a slowdown from second quarter [FY20] in the economy, though considered temporary at time, but the economy did not recover and the markets were challenged by demand parameters, as well as a liquidity crunch. The sales realization has been impacted after the first quarter over the previous year. There has also been increase in the material and input costs. The Company availed fresh term loan during the year for undertaking modification and up gradation project. The above factors resulted in decline in profitability margins and other ratios.

The performance has also been impacted due to COVID-19 pandemic outbreak, Nationwide lockdown and curfew imposed in the various parts of the country in March 2020 to prevent novel coronavirus [COVID-19] from spreading in the country towards the fag end of the year. The fall in value of [current] investments in various securities and funds owing to sudden fall in stock markets during the last few days of March 2020 further resulted in decline in earnings and ratios.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization. All significant issues are brought to the attention of the Audit Committee of the Board.

**HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS**

The human resources development function of the Company is guided by a strong set of values and policies. Your company strives to provide the best work environment with ample opportunities to grow and explore. Your company maintains a work environment that is free from any harassment. Company enjoys excellent relationship with its personnel and considers them as an essential part of the organization.

Development and well-being of people working for the Company has been a corner stone of management policy. This is reflected through very low employees' turnover at all levels including workers, staff, officers and managers. Company lays special emphasis on staff training and retraining through internal workshops and also nominating staff/officers to various training programmes. As on 31st March 2020, Company has 1350 employees consisting of 93 managers, 335 staff/officers and 922 workers.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Your Company, in collaboration with a local NGO in Ahmedgarh, has set up an Eye Hospital. Besides contributing in setting up of this hospital, financial assistance is extended on monthly basis. Eye care is provided to needy persons on subsidized rates/free of cost.

Your company is also involved with various educational institutions for providing scholarship/financial assistance to deserving students on recommendations of the managements of such institutions.

Your company actively participates with number of NGOs for holding medical check-up camps, sports events and other social activities. Your Company provides firefighting services, as and when need arises, in nearby areas through its own fire tender and firefighting staff.

**OUTLOOK**

As mentioned earlier, the biggest driver of writing and printing paper in our country is education sector. Government through various initiatives is investing a lot in efforts and resources to reach the last mile to improve the literacy rate in the country through initiatives, like Sarva Shiksha Abhiyan [Education For All] and 'Beti Padhao Beti Bachao'. Demand of paper for this sector is growing at a reasonable rate despite the fact that worldwide consumption of writing and printing paper is declining due to digitization and more emphasis on On-Line education.

While the underlying factors favour a steady growth in demand in years to come; but recent disruption caused by breakout of Covid-19 Pandemic resulted in closure of all educational institutions, demand of writing and printing paper has taken a severe hit. Even as on date there are no immediate signs of reopening of this sector. The current situation is unpredictable in terms of extent and tenure of this pandemic.

Also, we have large surplus capacity of writing and printing paper in neighbouring countries like ASEAN and China. As per present FTA with ASEAN import of paper is allowed at nil custom duty from ASEAN countries, in case of China there is a marginal duty of 10%. The import of paper at extremely cheap prices has shown a spurt in recent years. Industry Associations have taken up this issue with the Central Government and request for increasing the Custom Duty and review of FTA with ASEAN is under active consideration, which should provide some relief to the industry. It is also expected that things should start normalizing in 2nd half of current financial year when there would be complete / at least partial reopening of educational sector. In the meanwhile, we are keeping a close watch on various developments and are taking proactive steps wherever necessary to minimize the impact of current situation.

**CAUTIONARY STATEMENT**

Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events.

The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events. Market data and product information contained in this report is gathered from published and unpublished reports and their accuracy cannot be assured.

**REPORT ON CORPORATE GOVERNANCE****1. Company's philosophy of Corporate Governance**

At Shreyans, we believe that Corporate Governance is a powerful medium of serving the long term interests of all the stakeholders. The Company seeks to achieve the goal by ensuring that timely and accurate disclosures are made in an easily understood manner on all matters relating to the financial situation, performance, ownership and governance of the Company.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under listing regulations. The Company has adopted a Code of Conduct for members of the Board and senior management and the same has been posted on the website of the Company. All Directors and other officials have affirmed in writing their adherence to the above code.

**2. Board of Directors****(a) Composition**

The Company has an Executive Chairman and the number of independent directors is not less than half of the total strength of the Board. The Company has complied with the requirements of listing regulations in respect of composition of Board of Directors. None of the independent directors have any pecuniary relationship (except sitting fee) or transactions with the company.

**(b) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM):**

Name of the Director	DIN	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Rajneesh Oswal Chairman & Managing Director	00002668	Promoter & Executive Director	4	Yes
Vishal Oswal Vice-Chairman & Managing Director	00002678	Promoter & Executive Director	4	Yes
Kunal Oswal Whole time Director	00004184	Promoter & Executive Director	4	Yes
Anil Kumar Executive Director & CEO	00009928	Executive Director	4	Yes
Prem Kumar Independent Director	00051349	Non Executive Director	2	No
A. K. Chakraborty Independent Director	00133604	Non Executive Director	3	Yes
R.C. Juneja Independent Director (Additional)	07804729	Non Executive Director	2	No
Pratibha Goyal Independent Director	07174666	Non Executive Director	4	Yes

**(c) Number of Companies or Committees in which the Director of the Company is a Director/Member/Chairman: -**

Name of the Director	No. of Directorships in all public companies*	Membership of the Board Committees in all Public Companies**	Chairmanship of the Board Committees in all Public Companies**	Directorship in other listed entity and category
Rajneesh Oswal	2	2	---	Adinath Textiles Ltd. (Chairman & Managing Director)
Vishal Oswal	2	1	---	Adinath Textiles Ltd. (Vice-Chairman & Managing Director)
Kunal Oswal	1	0	---	---
Anil Kumar	2	1	---	---
Prem Kumar	1	1	---	---
A. K. Chakraborty	5	1	2	1. Manaksia Ltd. 2. Manaksia Steels Ltd. 3. Manaksia Coated Metals & Industries Ltd. 4. Manaksia Aluminium Company Ltd. (Non- Executive Independent Director in all above listed Companies)
R.C. Juneja	3	3	2	1. Shreyans Financial And Capital Services Ltd. 2. Adinath Textiles Limited (Non- Executive Independent Director in all above listed Companies)
Pratibha Goyal	2	1	1	---



\*including Shreyans Industries Ltd. and excluding private limited companies, foreign companies, unlimited liability companies and Companies under section 8 of the Companies Act, 2013.

\*\*Board Committee for this purpose includes Audit Committee and Stakeholder's Relationship Committee of Public Limited companies (including committees of Shreyans Industries Ltd.)

(d) Four Board Meetings were held during the Financial Year 2019-20 on 13<sup>th</sup> May, 2019, 25<sup>th</sup> July, 2019, 13<sup>th</sup> November, 2019 and 10<sup>th</sup> February, 2020.

(e) The Board of Shreyans Group is comprised of qualified members bringing the required skills, expertise and competence to give fruitful contributions to achieve highest standards of Corporate Governance. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company.

Business Dynamics & Leadership	Understanding of business dynamics, across various markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

DIRECTORS AS ON 31ST MARCH 2020	Attributes		
	Business Dynamics & leadership	Strategy and Planning	Governance
Rajneesh Oswal	✓	✓	✓
Vishal Oswal	✓	✓	✓
Kunal Oswal	✓	✓	✓
Anil Kumar	✓	✓	✓
Prem Kumar	✓	✓	✓
A. K. Chakraborty	✓	✓	✓
R.C. Juneja	✓	✓	✓
Pratibha Goyal	✓	✓	✓

(f) The Board of Directors hereby confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations and are independent of the management.

(g) None of the Directors of the Company has resigned before the expiry of his tenure.

During the year all the relevant information required was placed before the Board and decisions taken at the Board Meeting are promptly communicated to the concerned Unit(s)/ Department(s). Actions taken on the decisions on the previous meeting are reported at the succeeding meeting of the Board. Board periodically reviews the compliance of various laws and regulations applicable to the company.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a system has been put in place to carry out performance evaluation of the Board, its Committees and individual directors. An appraisal format has been devised covering various aspects of the Board's functioning such as adequacy of composition of the board and its Committees, board process, culture and accountability etc. Similarly, a separate format is also formulated for carrying out evaluation of the performance of individual Directors including the Chairman of the Board, which inter-alia include parameters such as level of engagement and contribution, understanding of industry and global trends, and independence of judgment etc.

#### Board Familiarization Programme

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. The Director is also explained in detail the compliance required from him/her under the Companies Act, 2013, Listing Regulations and other relevant laws/regulations.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his/her role as Director of the Company. The details of familiarization programmes have been posted on the website of the Company.

### 3. Audit Committee

#### i. Terms of Reference:

The Company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations.

All the financial statements of the Company are first reviewed by the Audit Committee before presentation to the Board of Directors. The Audit committee discusses the reports of Statutory Auditors, Internal Auditors, Secretarial Auditors as well as Cost Auditors of the company. The appointment of Statutory, Secretarial and Cost Auditors are recommended by the Audit Committee. It also reviews the Company's financial and risk management policies, management discussion and analysis of financial condition, results of operations and statement of significant related party transactions at periodic basis including omnibus approval and review thereof.

**ii. Composition, Name of Members, Chairperson and attendance:**

Name of Member	Designation	Meetings Attended
Pratibha Goyal	Chairperson	4
A. K. Chakraborty	Member	3
Anil Kumar	Member	4

iii. Four Meetings of the Audit Committee were held during Financial Year 2019-20 on 13th May, 2019, 25th July, 2019, 13th November, 2019 and 10th February, 2020.

The Company Secretary acts as Secretary to the Committee.

**4. Nomination and Remuneration Committee**

**i. Terms of Reference:**

The terms of reference of this Committee are wide enough covering the matters specified under the Companies Act, 2013 and Listing Regulations.

**ii. Composition, Name of Members, Chairperson and attendance:**

Two meetings of the Nomination and Remuneration Committee were held during the Financial Year 2019-20 on 13<sup>th</sup> May 2019 and 13<sup>th</sup> November, 2019.

Name of Member	Designation	Meetings Attended
Pratibha Goyal	Chairperson	2
A. K. Chakraborty	Member	2
Prem Kumar	Member	0

The Company Secretary acts as Secretary to the Committee.

**iii. Nomination and Remuneration Policy**

The Nomination and Remuneration policy of the Company is designed to attract, motivate and retain manpower in competitive market. The Key provisions of such policy are given in Board's Report.

**iv. Remuneration of Directors**

**A. Executive Directors**

(₹ in lakhs)

Name and Designation	Remuneration				
	Basic Salary	Provident Fund	Other Benefits	Performance Incentive	Total
Rajneesh Oswal Chairman & Managing Director	398.46	47.81	1.55	---	447.82
Vishal Oswal Vice- Chairman & Managing Director	398.56	47.82	1.45	---	447.83
Kunal Oswal Whole time Director	24.00	2.88	1.64	---	28.52
Anil Kumar Executive Director and CEO	54.00	6.48	35.77	54.00	150.25

The appointment and remuneration of the Managing Directors and Executive Director & CEO are subject to the respective agreements executed with them. Notice period from either party has been fixed at six months. The Company shall be liable to pay severance fee as per the individual contract.

Mr. Anil Kumar, Executive Director & CEO is entitled to the performance Incentive, as may be decided by the Board, along with fixed salary in terms of resolution passed at the Annual General Meeting held on 7<sup>th</sup> September, 2017.

#### B. Non-Executive Directors

The Non-Executive Directors are paid the sitting fee or reimbursement of out of pocket expenses incurred by them for attending the meeting of Board or any committee thereof. The sitting fee amount is within the limits prescribed under the Companies Act, 2013 and rules made there under. No other payment is made to any of the Non-executive Director. No stock option has been given to any of the Directors, including Executive Directors.

(₹ in lakhs)

Name	Sitting Fees for Board Meetings	Sitting Fees for Committee Meeting /s	Total
A.K. Chakraborty	0.60	0.45	1.05
Prem Kumar	0.20	Nil	0.20
R. C. Juneja	0.20	Nil	0.20
Pratibha Goyal	0.80	0.50	1.30

#### 5. Stakeholders Relationship Committee

The Board has formed an investors' Grievance Committee named as Stakeholder's Relationship Committee to specifically look into the Redressal of investors' complaint like transfer of shares, non-receipt of balance sheet or non-receipt of credit of shares into the De-mat account etc. The committee also approves issue of duplicate share certificate(s) and other related matters and oversees and reviews all matters connected with the share transfer.

##### i. Composition

Name of Member	Designation	Meetings Held	Meetings Attended
Pratibha Goyal	Chairperson	11	11
Rajneesh Oswal	Member	11	10
Anil Kumar	Member	11	11
Vishal Oswal	Member	11	10

ii. Ms. Ruchita Vij, Company Secretary is the compliance officer and acts as secretary to the committee(s). The Company has designated the email id cs@shreyansgroup.com for the purpose of registering complaints by investors electronically. The email id is displayed on the company's website.

iii. The details regarding the investor's complaints are as under:

Particulars	Number of Complaints	Particulars	Number of Complaints
Pending as on 01-04-2019	0	Resolved during the year	28
Received during the year	28	Pending as on 31-03-2020	0

#### 6. Corporate Social Responsibility

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has constituted "Corporate Social Responsibility Committee." One meeting of the Corporate Social Responsibility Committee was held during the Financial Year 2019-20 on 13th May, 2019.

The composition of the committee as at March 31, 2020 and details of member's participation at the meeting of the committee are as under:

Name of Member	Designation	Meetings Held	Meetings Attended
Rajneesh Oswal Chairman & Managing Director	Chairman	1	1
Vishal Oswal Vice-Chairman & Managing Director	Member	1	1
Anil Kumar Executive Director & CEO	Member	1	1
A. K. Chakraborty Independent Director	Member	1	1

The Company Secretary acts as Secretary to the Committee.

#### 7. Independent Director's Meeting

During the year, the Independent Directors met on 10<sup>th</sup> February, 2020 to:

- Review the performance of Non-Independent Directors and the Board as a whole.
- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the board that is necessary for the Board to effectively and reasonably their duties.

#### 8. General Body Meetings

(i) Location and time where last three Annual General Meetings were held:

Financial Year	Date of A.G.M.	Time	Venue	No. of Special Resolution Passed
2018-19	15 <sup>th</sup> July, 2019	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123	3
2017-18	10 <sup>th</sup> August, 2018	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123	1
2016-17	7 <sup>th</sup> September, 2017	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123	5

(ii) Postal Ballot

During the year under review, there were no resolutions passed through Postal Ballot.

#### 9. Disclosures

- The details of related party transactions are placed before Audit Committee and these are disclosed in the Notes on Account to the Balance Sheet. For the year 2019-20, there was no transaction of material nature with related parties, which are not in the normal course of business.
- The Company is in compliance with the requirements of the Stock exchanges, SEBI and other statutory authorities on all matters relating to the capital market during the last three years. The company has complied with all mandatory requirements of clause Listing Regulations on corporate governance. The company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company. There were no penalties or strictures imposed on the company by Stock Exchanges or SEBI, any statutory authority on any matter related to the above.
- The Company has a Whistle Blower Policy in place for employees to report concerns about unethical behavior. No personnel have been denied to approach the Management or the Audit Committee on any issue.
- Mr. Rajneesh Oswal, Chairman & Managing Director, Mr. Vishal Oswal, Vice Chairman & Managing Director and Mr. Kunal Oswal, whole time Directors, are real brothers. No other director is having any relationship with each other.
- All the necessary disclosures/policies/codes/intimations etc under the Companies Act, 2013, SEBI (LODR) Regulations, as amended from time to time and other enactments etc are uploaded under separate section "INVESTORS" on website of the Company i.e. www.shreyansgroup.com.

**10. Means of Communication**

i	Quarterly Results	Published in the newspapers every quarter
ii	Newspapers wherein results normally published	The Economic Times and Desh Sewak
iii	Any website, where results are displayed	<a href="http://www.shreyansgroup.com">www.shreyansgroup.com</a>
iv	Whether it also displays official news releases	No
v	The presentations made to Institutional Investors or to the Analysts	No

**Online Filing:** Periodical compliance filings like shareholding pattern, corporate governance report, announcements, corporate actions etc. have been filed electronically on NSE-NEAPS and BSE -Corporate Compliance & Listing Centre.

**SCORES (Sebi Complaints Redressal System):** The Investor Complaints are processed in a centralized web based complaints Redressal system on [www.scores.gov.in](http://www.scores.gov.in), a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company had dispose of all the pending complaints filed through scores.

**11. General Shareholder Information****i. AGM: Date, Time and Venue**

Date & Time: 30<sup>th</sup> September 2020 at 3.00 p.m.

Venue: Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

**ii. Financial Year**

The Company's Financial Year starts from 1<sup>st</sup> April every year and conclude on 31<sup>st</sup> March, next year.

**iii. Date of Book Closure**

The Register of Members and Share Transfer books of the Company shall remain closed from 24<sup>th</sup> September, 2020 to 30<sup>th</sup> September, 2020 (both days inclusive), for the purpose of AGM, for both physical and electronic segments.

**iv. Dividend Payment date (tentative)**

N.A.

**v. Listing on Stock Exchanges**

The Equity shares of the Company are listed at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The Company has paid the listing fees to the Bombay Stock Exchange Limited and the National Stock Exchange of India limited.

**Stock Code**

<b>Bombay Stock Exchange Limited</b>	516016	<b>ISIN</b>	INE231C01019
<b>National Stock Exchange of India Limited</b>	SHREYANIND	<b>Corporate Identification Number</b>	L17115PB1979PLC003994

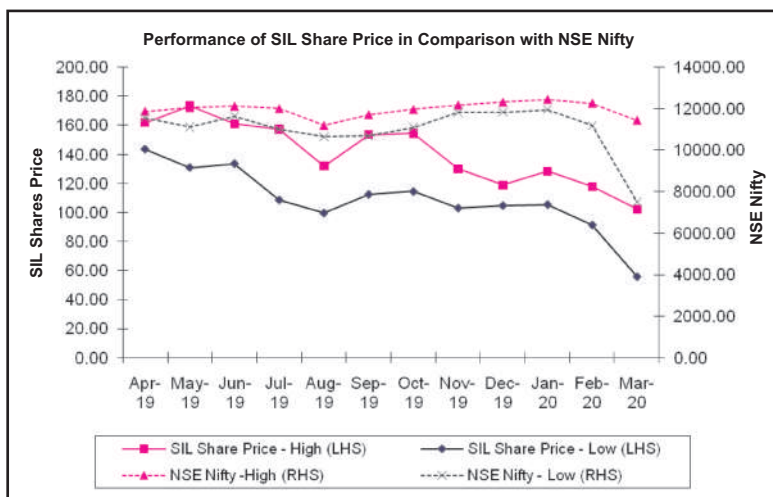
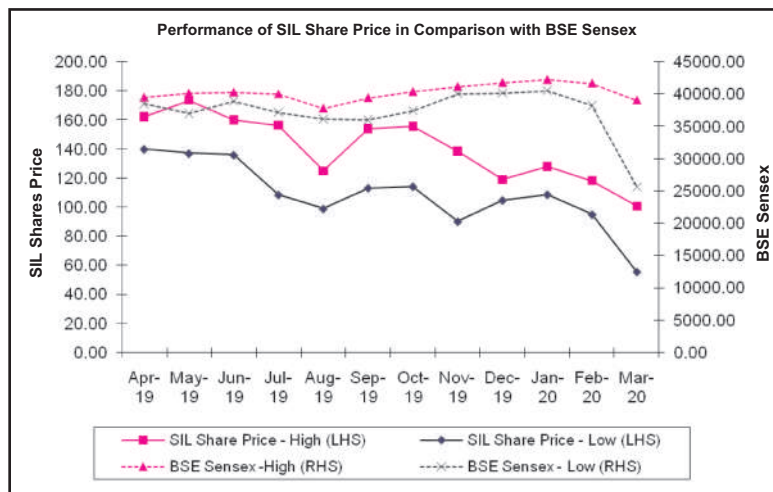
**vi. Market Price Data: High, Low during each month in last Financial year**

The monthly high and low stock quotations during the last Financial Year at BSE and NSE are given below along with comparison to Broad Based BSE Sensex and NSE Nifty.

Month & Year	Share price at Bombay Stock Exchange Limited		Share Price at National Stock Exchange of India Ltd	
	High	Low	High	Low
<b>Apr - 19</b>	162.00	140.00	162.00	143.55
<b>May - 19</b>	173.30	137.00	173.40	131.00
<b>Jun - 19</b>	160.00	135.95	160.95	133.60
<b>Jul - 19</b>	156.20	108.50	157.30	108.75
<b>Aug - 19</b>	125.00	98.90	132.00	99.70
<b>Sep - 19</b>	153.90	113.20	153.50	112.50
<b>Oct - 19</b>	155.40	114.20	154.35	114.50

Month & Year	Share price at Bombay Stock Exchange Limited		Share Price at National Stock Exchange of India Ltd	
	High	Low	High	Low
Nov - 19	138.40	90.20	130.00	103.10
Dec - 19	118.90	104.80	119.00	104.85
Jan - 20	128.00	108.70	128.20	105.55
Feb - 20	118.10	95.00	117.80	91.50
Mar - 20	100.70	55.50	102.40	56.10

vii. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.



**viii. Registrar and Share Transfer Agent**

Name : Skyline Financial Services (P) Ltd.  
 Address : D-153/A 1<sup>st</sup> Floor, Okhla Industrial Area, Phase -1  
 New Delhi-110 020  
 Phone No. : 011-40450193-97  
 Contact Person : Mr. Subhash Aggarwal, Director / Mr. Virender Rana, Vice-President

**ix. Share Transfer System**

The Company's shares are in compulsory dematerialized list and are transferable through depository system. All share transfers, physical as well as electronic were handled by M/s. Skyline Financial Services Pvt. Ltd. at D-153/A 1<sup>st</sup> Floor, Okhla Industrial Area, Phase -1 New Delhi-110 020.

**Shareholders who hold shares in the physical form and wish to make Change/ nomination in respect of their shares in the company, as permitted under Companies Act, 2013 may submit the same to Registrars & Transfer Agents of the company in the prescribed Form. The said form is available on the website of the company at [www.shreyansgroup.com](http://www.shreyansgroup.com).**

**x. DISTRIBUTION OF EQUITY SHARE CAPITAL AS ON : 31.03.2020:**

Shareholding Nominal Value (₹)	No of Shareholders	% to Total Numbers	Shareholding Amount (₹)	% to Total Amount
Up To 5,000	20,107	94.7	1,79,17,550	12.96
5,001 To 10,000	581	2.74	44,75,460	3.24
10,001 To 20,000	280	1.32	40,51,250	2.93
20,001 To 30,000	92	0.43	23,54,530	1.7
30,001 To 40,000	42	0.2	15,20,660	1.1
40,001 To 50,000	34	0.16	15,57,080	1.13
50,001 To 1,00,000	50	0.24	3,563,140	2.58
1,00,000 and Above	46	0.22	10,28,05,830	74.36
<b>TOTAL</b>	<b>21,232</b>	<b>100</b>	<b>13,82,45,500</b>	<b>100</b>

**xi. Dematerialisation of shares and Liquidity**

As on 31.03.2020, 94% of total paid up share of the Company is held with depositories in dematerialized form. The Equity shares of the Company are regularly traded at the BSE and NSE.

**xii. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity**

The Company has not issued any GDR's/ADR's. The Company has not allotted any equity share during the financial year 2019-20.

**xiii. Location of Plants:**

- (a) Shreyans Papers, Ahmedgarh, Distt. Sangrur (Punjab)  
 (b) Shree Rishabh Papers, Vill. Banah, Distt. S.B.S Nagar (Punjab)

**xiv. Address for correspondence:****Registered Office:**

Ruchihta Vij,  
 Company Secretary  
 Shreyans Industries Limited  
 Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana (India) -141123  
 Ph. (0161) 2685270, 9876400948  
 Email : [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com), [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com)  
 Website : [www.shreyansgroup.com](http://www.shreyansgroup.com)

- xv. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year:  
During the year under review, CARE Ratings Limited has reviewed the external credit rating for the Long Term, Short term Bank facilities and Fixed Deposits of the company and has reaffirmed and assigned the rating. The facility wise rating is as under:

Facilities	Amount (₹ /Cr)	Upgraded Rating
Long Term Bank Facilities	62.87	CARE A-; Stable [Single A minus: Outlook: Stable]
Short Term Bank Facilities	44.00	CARE A2+ [A two Plus]
Medium Term instruments- Fixed deposits	5.56	CARE A- [FD]; Stable [A minus (Fixed deposit)]; Outlook: Stable]] (assigned]

- xvi. The Company has paid total fees of ₹441,585/- for FY 2019-20 for all services, on a consolidated basis for the Company to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

- xvii. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Section 124 and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company shall be transferred to the Investor Education and Protection Fund.

During FY 2019-20, the Company was not required to transfer any amount/shares to the Investor Education and Protection Fund. The following table contains the information relating to outstanding dividend account as on 31st March 2020 and the proposed dates of transfer the same to IEPF.

Financial Year	Date of declaration	Due date for IEPF transfer
2012-13	30-Aug-13	29-Sep-20
2013-14	13-Aug-14	12-Sep-21
2014-15	12-Aug-15	11-Sep-22
2015-16	10-Aug-16	09-Sep-23
2016-17	07-Sep-17	07-Oct-24
2017-18	10-Aug-18	09-Sep-25
2018-19	15-Jul-19	14-Aug-26



**DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATIONS 26(3) OF THE LISTING REGULATIONS**

To,  
The Members,  
Shreyans Industries Ltd.  
Ludhiana

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the Directors and Senior Management Personnel as approved by the Board, for the Financial Year ended 31<sup>st</sup> March, 2020 in terms of regulations 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Ludhiana  
Date : June 29, 2020

**Rajneesh Oswal**  
Chairman & Managing Director  
(DIN: 00002668)

**CMD & CFO CERTIFICATION**

To  
The Members,  
Shreyans Industries Ltd.,  
Ludhiana

- a) We have reviewed financial statements and the cash flow statements for the year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
  - 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.
- b) 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.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have 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 of operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
- significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - 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.

**Rajneesh Oswal**  
Chairman & Managing Director  
(DIN: 00002668)  
Place : Ludhiana  
Date : June 29, 2020

**R. K. Mahajan**  
Chief Financial Officer

**Practising Company Secretary Certificate on Compliance with the condition of Corporate Governance**

To  
The Members  
Shreyans Industries Ltd

We have examined the compliance of conditions of corporate governance by Shreyans Industries Limited (the company) for the year ended 31<sup>st</sup> March, 2020 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ('Listing Regulations')

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing regulations, as applicable.

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

**For P. S. Bathla & Associates**  
Company Secretaries

(P. S. Bathla)  
M. No. 4391  
C. P. No. 2585

Place : Ludhiana  
Dated : June 24, 2020

**Certificate from Company Secretary in Practice (Pursuant to clause 10 of Part C of Schedule V of LODR)**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Shreyans Industries Limited (CIN: L17115PB1979PLC003994), I hereby certify that:

On the basis of written representation/declaration received from the Directors and taken on record by the Board of Directors, as on March 31, 2020, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

**For P. S. Bathla & Associates**  
Company Secretaries

(P. S. Bathla)  
M. No. 4391  
C. P. No. 2585

Place : Ludhiana  
Dated : June 24, 2020

**INDEPENDENT AUDITORS' REPORT**

To  
The Members,  
Shreyans Industries Limited

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

We have audited the accompanying financial statements of **Shreyans Industries Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit 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 of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("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 (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made there under, 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 audit opinion on the financial statements.

**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. We have determined that there are no key audit matters to communicate in our report.

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the company's 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 identified above 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 on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS). 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

The Board of Directors is 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 financial controls 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 Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "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, based on our audit, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
  - g. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act.  
In our opinion and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and according to the explanations given to us:
    - (i) The company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 37 to the financial statements.

- (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses and,
- (iii) There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR K.C. KHANNA & CO.**  
**Chartered Accountants**  
**(Firm Reg. No. 000481N)**

**Place : Ludhiana (Abhishek Goel)**  
**Dated : June 29, 2020 Partner**  
**UDIN : 20521575AAAACC2386 M. No. 521575**

**Annexure- "A" to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shreyans Industries Limited of even date)

- (i) In respect of the Company's fixed assets:-
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has adopted a policy of physical verification of fixed assets once in block of every three years. The last verification of entire block of fixed assets was done in the year ended March 31st 2018. Further in our opinion the frequency of physical verification of the fixed assets is reasonable having regard to the size of the Company and nature of its business. As explained to us, no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deed of the immovable property is held in the name of the company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management at the reasonable intervals during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- Therefore the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has complied with the requirements of the section 186 of the Companies Act, 2013 pursuant to investment made. The company has not granted loans to directors or to the person in whom directors are interested. Therefore, the provisions of section 185 of the Companies Act, 2013 are not applicable to the company.
- (v) According to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order under its aforesaid sections has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules made 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 cost records have been made and maintained. We have, however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, value added tax, cess, goods and service tax and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable as at 31st March, 2020.
- (c) According to the information and explanations given to us, and the records of the company examined by us, there are no dues of service tax, duty of custom, which have not been deposited with the appropriate authorities on account of any dispute. However according to information and explanations given to us, the following dues of duty of excise, CST, value added tax and income tax have not been deposited by the company with appropriate authorities on account of dispute:

Name of the Statute	Nature of Dues	Disputed Amount (₹ in lakhs)	Amount deposited (₹ in lakhs)	Amount Unpaid (₹ in lakhs)	Period to which relates	Forum where dispute is pending.
Central Excise Act, 1944	Excise Duty	1.45	0.93	0.53	Various years from 1996-1997 to 2000-2001	Joint Commissioner, Ludhiana
Central Excise Act, 1944	Excise Duty	1.43	-	1.43	2004-2005	Assistant Commissioner, Phagwara

Name of the Statute	Nature of Dues	Disputed Amount (₹ in lakhs)	Amount deposited (₹ in lakhs)	Amount Unpaid (₹ in lakhs)	Period to which relates	Forum where dispute is pending.
Punjab VAT Act, 2005	Sales Tax	4.00	1.00	3.00	2016-2017	Punjab & Haryana High Court, Chandigarh
Central Excise Act, 1944	Excise Duty	73.77	11.54	62.23	2003-2004 to 2008 to 2009	Commissioner Appeals, Ludhiana
Punjab VAT Act, 2005	CST	17.39	4.35	13.04	2011-2012	VAT Tribunal
Punjab VAT Act, 2005	VAT	9.53	3.81	5.72	2012-2013	Excise and Taxation Officer, Ahmedgarh
Income Tax, Act 1961	Income Tax	0.13	-	0.13	2016-2017	Income tax Officer, Ludhiana
Income Tax, Act 1961	Income Tax	203.20	-	203.20	2017-2018	Commissioner Appeals, Ludhiana

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution bank or government. The Company has not issued any debentures during the year or in the preceding year.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken during the year by the Company have been applied for the purpose for which they were raised. The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no fraud on or by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination records of the company, the company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 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 examinations of the records of the company, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year under audit. Thus the provisions of paragraph 3 (xiv) of the Order are not applicable to the company.

(xv) According to 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 transactions with directors or persons connected with them. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable to the company.

(xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) of the order is not applicable to the company.

**FOR K.C. KHANNA & CO.**  
Chartered Accountants  
(Firm Reg. No. 000481N)

**Place : Ludhiana (Abhishek Goel)**  
**Dated : June 29, 2020 Partner**  
**UDIN : 20521575AAAACC2386 M. No. 521575**

**Annexure - "B" to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Shreyans Industries Limited of even date)

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

We have audited the internal financial control over financial reporting of Shreyans Industries Limited ("the Company") as of 31st March 2020 in conjunction with our audit of financial statements of company for the year ended on that date.

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

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the

Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with respect to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements were 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR K.C. KHANNA & CO.**  
Chartered Accountants  
(Firm Reg. No. 000481N)

Place : Ludhiana (Abhishek Goel)  
Dated : June 29, 2020 Partner  
UDIN : 20521575AAAACC2386 M. No. 521575

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

(₹ in lakhs)

	Note No.	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3a	17,058.93	17,458.48
(b) Capital work-in-progress		4,157.64	267.46
(c) Right of use Asset	3b	249.56	-
(d) Other Intangible Assets	3c	2.34	2.82
(e) Financial Assets			
i Investments	4	75.86	85.73
ii Loans	5	5.61	3.07
iii Others financial assets	6	61.75	106.95
(f) Other Non Current assets	7	1,123.41	818.98
<b>Total Non-current assets</b>		<b>22,735.10</b>	<b>18,743.49</b>
<b>(2) Current assets</b>			
(a) Inventories	8	4,303.09	4,151.95
(b) Financial Assets			
i Investments	9	7,142.21	6,628.05
ii Trade receivables	10	2,776.91	3,913.61
iii Cash and Cash equivalents	11	18.03	16.48
iv Bank Balances (other than iii above)	12	446.53	319.35
v Loans	13	244.66	37.79
vi Other financial assets	14	222.46	181.19
(c) Income tax assets (net)	15	52.37	28.48
(d) Other current assets	16	306.78	430.56
<b>Total Current assets</b>		<b>15,513.04</b>	<b>15,707.46</b>
<b>TOTAL ASSETS</b>		<b>38,248.14</b>	<b>34,450.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	17	1,382.47	1,382.47
b) Other Equity	18	20,225.85	18,440.10
<b>Total Equity</b>		<b>21,608.32</b>	<b>19,822.57</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
i Borrowings	19	2,918.96	1,440.99
ii Other financial liabilities	20	184.72	9.79
(b) Provisions	21	515.65	407.22
(c) Deferred tax liabilities (net)	22	2,363.51	3,334.05
(d) Other non-current liabilities	23	122.48	140.06
<b>Total Non-current liabilities</b>		<b>6,105.32</b>	<b>5,332.11</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
i Borrowings	24	2,148.66	1,299.99
ii Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	25	63.45	14.04
b) total outstanding dues of creditors other than micro and small enterprises	"	4,672.76	4,443.02
iii Other financial liabilities	26	3,140.25	2,576.07
(b) Other current liabilities	27	302.95	777.82
(c) Provisions	28	206.43	185.33
(d) Current tax liabilities		-	-
<b>Total Current liabilities</b>		<b>10,534.50</b>	<b>9,296.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,248.14</b>	<b>34,450.95</b>

See accompanying notes to the financial statements.

As per our report of even date attached

For K.C. KHANNA &amp; CO

Chartered Accountants

(Firm Regn. No. 000481N)

**(ABHISHEK GOEL)**

Partner

M.No. 521575

PLACE : Ludhiana

DATE : June 29, 2020

**(R.K. MAHAJAN)**

C F O

**(RUCHITA VIJ)**

Company Secretary

**(ANIL KUMAR)**

Executive

Director &amp; CEO

DIN 00009928

**(VISHAL OSWAL)**

Vice Chairman &amp;

Managing Director

DIN 00002678

**(RAJNEESH OSWAL)**

Chairman &amp;

Managing Director

DIN 00002668

For and on behalf of the Board of Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020**

(₹ in lakhs)

	Note No.	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
I Revenue from operations	29	54,030.92	57,390.91
II Other Income	30	602.40	598.23
III <b>Total Income (I + II)</b>		<b>54,633.32</b>	<b>57,989.14</b>
IV <b>Expenses :</b>			
Cost of materials consumed	31	25,999.49	25,412.55
Purchases of stock-in-trade	32	-	1,743.76
Changes in inventories of finished goods, work in progress and stock-in-trade	33	53.28	(278.54)
Employee benefits expense	34	6,211.63	5,649.68
Finance costs	35	460.54	636.99
Depreciation and amortization expense	3a,3b,3c	1,053.04	938.64
Other expenses	36	17,600.85	16,837.67
<b>Total Expenses (IV)</b>		<b>51,378.83</b>	<b>50,940.75</b>
V Profit before exceptional items and tax (III-IV)		<b>3,254.49</b>	<b>7,048.39</b>
VI Exceptional Item		-	-
VII Profit before tax (V-VI)		<b>3,254.49</b>	<b>7,048.39</b>
VIII <b>Tax expense:</b>			
1) Current tax		1,003.00	2,075.00
2) Deferred tax		(944.62)	278.36
IX Profit for the year (VII-VIII)		<b>3,196.11</b>	<b>4,695.03</b>
X <b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of the employee defined benefit plans		(102.96)	(45.01)
(ii) Income tax relating to items that will not be reclassified to profit or loss		25.91	15.73
<b>Total Other Comprehensive Income</b>		<b>(77.05)</b>	<b>(29.28)</b>
XI <b>Total Comprehensive Income for the period (IX+X)</b> (Comprising profit and other comprehensive income for the period)		<b>3,119.06</b>	<b>4,665.75</b>
XII <b>Earning per equity share (Face Value of ₹10 each)</b>			
i) Basic (₹)		23.12	33.96
ii) Diluted (₹)		23.12	33.96

See accompanying notes to the financial statements.

As per our report of even date attached

For K.C. KHANNA & CO  
Chartered Accountants  
(Firm Regn. No. 000481N)(ABHISHEK GOEL)  
Partner  
M.No. 521575(R.K. MAHAJAN)  
CFO(RUCHITA VIJ)  
Company Secretary(ANIL KUMAR)  
Executive  
Director & CEO  
DIN 00009928(VISHAL OSWAL)  
Vice Chairman &  
Managing Director  
DIN 00002678(RAJNEESH OSWAL)  
Chairman &  
Managing Director  
DIN 00002668PLACE : Ludhiana  
DATE : June 29, 2020

For and on behalf of the Board of Directors



**STATEMENT OF CHANGES IN EQUITY**

(₹ In lakhs)

Particulars	Equity share capital	Other Equity					Total
		Reserves and Surplus				Other comprehensive income	
		Capital reserve	Securities premium	General reserve	Retained Earnings	Remeasurement of the defined benefit Plans	
As at 1 <sup>st</sup> April 2018	1,382.47	2.10	1,923.75	3,896.69	8,272.12	(20.32)	14,074.38
Dividend for the year ended 31 <sup>st</sup> March 2018 (₹1.80 per share )					(248.84)		(248.84)
Dividend Distribution Tax on above					(51.15)		(51.15)
Profit for the year transferred from statement of profit and loss					4,695.03		4,695.03
Other Comprehensive Income for the year (net of income tax)					-	(29.28)	(29.28)
As at 31 <sup>st</sup> March 2019	1,382.47	2.10	1,923.75	3,896.69	12,667.16	(49.60)	18,440.10
As at 1 <sup>st</sup> April 2019	1,382.47	2.10	1,923.75	3,896.69	12,667.16	(49.60)	18,440.10
Dividend for the year ended 31 <sup>st</sup> March 2019 (₹5.00 per share )					(691.23)	-	(691.23)
Dividend Distribution Tax on above					(142.08)	-	(142.08)
Interim Dividend for the year ended 31 March 2020 (₹3.00/- per share)					(414.75)	-	(414.75)
Dividend Distribution Tax on above					(85.25)		(85.25)
Profit for the year transferred from statement of profit and loss					3,196.11	-	3,196.11
Other Comprehensive Income for the year (net of income tax)					-	(77.05)	(77.05)
As at 31 <sup>st</sup> March 2020	1,382.47	2.10	1,923.75	3,896.69	14,529.96	(126.65)	20,225.85

As per our report of even date attached  
For K.C. KHANNA & CO  
Chartered Accountants  
(Firm Regn. No. 000481N)

For and on behalf of the Board of Directors

(ABHISHEK GOEL)  
Partner  
M.No. 521575

(R.K. MAHAJAN)  
C F O

(RUCHITA VIJ)  
Company Secretary

(ANIL KUMAR)  
Executive  
Director & CEO  
DIN 00009928

(VISHAL OSWAL)  
Vice Chairman &  
Managing Director  
DIN 00002678

(RAJNEESH OSWAL)  
Chairman &  
Managing Director  
DIN 00002668

PLACE : Ludhiana  
DATE : June 29, 2020

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in lakhs)

	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax as per statement of profit and loss</b>	3254.49	7048.39
Adjustment for :		
Depreciation and amortisation expense	1,053.04	938.64
Interest Income	(53.74)	(40.28)
Dividend on non current investments	(0.01)	(0.01)
Net Loss/(gain) on sale of current investments	(423.63)	(347.93)
Net fair valuation Loss/ (gain) on Financials assets	1,194.13	14.76
Interest expenses	359.77	534.15
Net Loss/(gain) on sale/discarding of property, plant and equipment	(20.94)	(124.21)
Amortisation of other Financial Assets	1.45	2.13
Allowances for doubtful/ credit loss for trade receivables and advances written back	(0.23)	(6.90)
Provisions no longer required written back	(3.47)	(2.63)
Trade receivable and other balances written off/(back) (net)	(10.01)	(2.90)
	2096.36	964.82
<b>Operating Profit Before Working Capital Changes</b>	5350.85	8,013.21
<b>Changes in working capital</b>		
<b>Adjustment for (Increase)/ Decrease in operating assets:</b>		
Inventories	(151.14)	(782.42)
Trade receivables	1,128.84	39.50
Loans (Current)	(206.87)	(0.02)
Loans (Non-current)	(1.56)	1.26
Other assets (Current)	123.78	(148.25)
Other assets (Non-current)	65.22	(55.05)
Other financial assets (Current)	(27.21)	(75.40)
Other financial assets (Non-current)	47.14	(91.69)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	279.15	(22.28)
Provisions (Non-current)	5.47	(298.16)
Provisions (Current)	21.10	73.10
Other financial liabilities (Current)	155.18	279.01
Other financial liabilities (Non-current)	-	-
Other liabilities (Current)	(453.30)	240.13
Other liabilities (Non-current)	(10.12)	(9.33)
	975.68	(849.60)
<b>Cash generated from operations</b>	6326.53	7,163.61
Income taxes paid (net of refund)	(1026.89)	(2,203.11)
<b>Net cash generated from operating activities</b>	5299.64	4,960.50
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Purchase of Property, Plant and Equipments	(4,469.07)	(1,034.20)
(Increase)/ Decrease in capital advance	(369.65)	(210.88)
(Payment for Purchase of investment)	(9,259.48)	(6,332.07)
Proceeds from sale of investment	7,984.68	4,599.20
Proceeds from sale of Property, Plant and Equipments	46.31	169.95
Dividend received	0.01	0.01
Interest received	37.74	51.30
(Increase)/Decrease in other Bank Balances	(127.18)	46.85
<b>Net cash flows/(used) in investing activities</b>	(6156.64)	(2,709.84)

**C CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from long term borrowings	1,931.03		14.92	
(Payments of long term borrowings)	(339.03)		(1079.54)	
Increase/(Decrease) in short term borrowings	848.67		(400.12)	
Interest Paid	(301.73)		(512.66)	
Dividend Paid on equity shares (including taxes)	(1,280.39)	858.55	(288.20)	(2265.60)
<b>Net cash flows/(used) in financing activities</b>				
<b>Net increase/(decrease) in cash and cash equivalents</b>		1.55		(14.94)
<b>Cash and cash equivalents at beginning of the year</b>		16.48		31.42
<b>Cash and cash equivalents at end of the year (Refer note 11)</b>		18.03		16.48

See accompanying notes to the financial statements.

As per our report of even date attached  
For K.C. KHANNA & CO  
Chartered Accountants  
(Firm Regn. No. 000481N)

For and on behalf of the Board of Directors

(ABHISHEK GOEL)  
Partner  
M.No. 521575

(R.K. MAHAJAN)  
C F O

(RUCHITA VIJ)  
Company Secretary

(ANIL KUMAR)  
Executive  
Director & CEO  
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(VISHAL OSWAL)  
Vice Chairman &  
Managing Director  
DIN 00002678

(RAJNEESH OSWAL)  
Chairman &  
Managing Director  
DIN 00002668

PLACE : Ludhiana  
DATE : June 29, 2020

**NOTES TO FINANCIAL STATEMENTS****1 Corporate and General Information**

Shreyans Industries Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The name of the company at its incorporation was Shreyans Paper Mills Ltd. and subsequently changed to Shreyans Industries Limited on 20th October 1992. The registered office of the company is situated at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141123, Punjab.

The company is engaged in the manufacturing of Writing and Printing Paper. The Company caters to both domestic and international market. The equity shares of the Company are listed on National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Limited (BSE).

The Board of Directors approved the Financial Statements for the year ended 31st March, 2020 and authorised for issue on 29th June, 2020.

**2 Significant accounting policies, significant accounting judgements, estimates and assumptions and applicability of new and revised Ind AS****2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards and the provisions of the Companies Act, 2013('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

**2.2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

The following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value.

**Historical Cost**

Historical cost is based on the fair value of the consideration given in exchange of goods and services.

**Fair Value Measurement**

The Company measures financial instruments 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

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 Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

Accounting policies have been consistently applied except where in newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**Functional and Presentation currency**

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, up to two places of decimal, unless otherwise indicated.

**2.3 Significant accounting policies****a) Revenue Recognition**

The Company derives revenue primarily from sale of Writing and Printing Paper and Soda Ash (from chemical recovery).

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant as the revenue is of short term nature and performance obligations are satisfied upon delivery of goods.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, discounts, value added taxes and amounts collected on behalf of third parties

**i) Sale of Writing and Printing Paper and Soda Ash**

Revenue is recognized as and when Writing and Printing Paper and Soda Ash is sold. Revenue from the sale of Writing and Printing Paper, Soda Ash and Traded Goods is recognised when control of the goods is passed to the buyer i.e. at the point of sale / delivery to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sale is net of sales returns, discounts and goods and services tax.

**ii) Export Incentives**

The revenue in respect of export benefits is recognised on post export basis at the rate at which the entitlements accrue.

**iii) Dividend**

Dividend Income from investments is recognized when shareholder's right to receive payment is established.

**iv) Interest****Interest from customer**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**Other Interest**

Interest income is recognised using effective interest rate (EIR).

**v) Insurance and other claims**

Insurance and other claims are recognized when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

**b) Employee Benefits****i) Short Term Employee benefit:**

The short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised on an undiscounted accrual basis during the year when the employees render the services. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

**ii) Defined Contribution plan****Provident Fund:**

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**iii) Defined Benefit Plan****Gratuity:**

The Company provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employees' salary and the tenure of employment with the company.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The company fully contributes all ascertained liabilities to the SIL-Group Gratuity Trust. Trustees administer contributions made to the trust and Contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law.

The Company recognises the net obligation of a defined plan in its Balance Sheet as an asset or liability. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods. All other expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss

**iv) Other long term employee benefit****Compensated absences:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the

employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gain /loss are recognised in the statement of profit or loss in the period in which they occur.

**c) Property, Plant and Equipment**

Freehold land is stated at cost and not depreciated. All other items of Property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. The Cost of an item of Property, Plant and Equipment comprises:

- a) its purchase price net of recoverable taxes where applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- b) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- c) Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on property, plant and equipment is provided on Straight Line Method on the basis of useful lives of such assets specified in Part C of Schedule II to the Companies Act, 2013, The useful life of Property, plant and equipment is as under:

Building	-	30-60	years
Plant and Machinery	-	15-25	years
Office Equipment	-	5	years
Computer Equipment	-	3	years
Furniture and fittings	-	10	years
Vehicles excluding Motor cycles	-	08	years
Motor cycles	-	10	years

On transition to Ind-AS, the company has elected to continue with the carrying value of all the property, plant and equipment recognised as at 01 April, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

**d) Intangible assets**

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Cost includes purchase price and all other direct expenses incurred to make the intangible asset ready for its intended use. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method, estimated useful lives are reviewed periodically and at end of each reporting period.

Intangible assets (Softwares) have been amortised on estimated useful life of six years.

**e) Impairment of property, plant and equipment and Intangible assets**

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

**f) Inventories**

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

- |                                |  |
|--------------------------------|--|
| a) Raw Material and Components | First in First out method plus direct expenses   |
| b) Stores and Spares           | Weighted average method plus direct expenses   |
| c) Work-in-progress            | Cost of material plus Conversion cost depending upon the stage of completion.  |
| d) Finished Goods              | Cost of material plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present conditions and location. |
| e) Material in Transit         | Actual cost plus direct expenses to the extent incurred.   |

Net Realisable Value is the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sales.

**g) Government Grants**

The government grants are recognised only when there is a reasonable assurance of compliance that conditions attached to such grants shall be complied with and it is reasonably certain that the ultimate collection will be made.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Consequent to the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company has opted to continue and treat 'Government grant in relation to Property, plant and equipment' as deferred income and the same is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

**h) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

**i) Leases**

**Policy applicable before April 1, 2019**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessee**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

**The Company as lessor**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

**Policy applicable after April 1, 2019**

**The Company as a lessee**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to lease contracts existing on April 1, 2019' using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. In respect of all Operating leases endings within 12 months of the date of initial application, the company has elected to account for such leases as short term lease and has recognised the lease payments as rental expense.

The Company's lease asset classes primarily consist of leases for land and office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for which underlying asset is of low value. For these short-term and leases for which underlying asset is of low value, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the

asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

**The Company as a lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**j) Foreign currency transactions**

**Transaction and balances**

Transactions in foreign currency are initially recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are recognised using the closing exchange rate as on balance sheet date.

Non-monetary items are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting of monetary items at rates different from rates at which these were recognised on initial recognition during the period or reported in previous financial statements as recognised in the statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

**k) Accounting for Taxes on income**

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to when it relates to items recognized directly in equity or items recognised in other comprehensive income.

Current income tax for current period is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**MAT**

Minimum Alternative tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustments to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT credit is recognized as asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

**l) Earnings per share**

Basic earnings per share is computed by dividing the profit for the period attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholder is divided by the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares, if any.

**m) Dividend**

Dividends are recognised in the Company's financial statements in the year in which they are approved in general meeting by the Company's shareholders. Interim dividends are recognised when paid.

**n) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of



another entity.

Financial assets and financial liability are recognised when the company entity becomes a party to the contractual provisions of its instruments.

**i) Initial Recognition and measurement**

All financial assets and liabilities are recognized at fair value on initial recognition. Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss are added to the fair value on initial recognition.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

**ii) Subsequent measurement**

**➤ Non-derivative financial instruments**

**1. Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

**2. Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

The company can make an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

These elected investments are initially measured at fair value plus transaction cost, subsequently these are measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income and accumulated in the Reserve for equity instruments through Other Comprehensive Income. The cumulative gain or loss is not reclassified to the Statement of Profit or loss on disposal of the investments.

- The above election is not permitted if the equity investment is held for trading.

Dividend on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

**3. Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

**4. Financial liabilities**

The financial liabilities are subsequently carried at amortized 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.

**➤ Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are charged to statement of profit and loss.

**Equity Share capital**

**Ordinary Shares**

Equity shares issued by the company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**iii) Derecognition of financial instruments**

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

**iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the

company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**v) Fair value Measurement**

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

**o) Impairment of financial assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

**p) Segment reporting**

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available.

**q) Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 "Statement of Cash flows" using the indirect method for operating activities.

**r) Cash and cash equivalent**

Cash and cash equivalent include cash in hand, balances with banks and short term deposits where the original maturity is three months or less and which are subject to an insignificant risk of changes in value. Bank overdraft are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

**s) Provisions and Contingent Liabilities**

A provision is recognized if, as a result of past event, the company has a present obligation (legal or constructive) and reliable estimate can be made of the amount of the obligation and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**2.4 Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and reported amount of revenue and expense during the period.

Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amount of assets or liabilities in future period.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**i) Useful lives of property, plant and equipment**

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence,

internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

**ii) Recoverable amount of property, plant and equipment**

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

**iii) Defined benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these assumptions that may have a material impact on the resulting calculations.

**iv) Recognition of deferred tax assets**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to signification adjustment to the amounts reported in financial statement.

**v) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

**vi) Fair value measurement**

Some of the company's assets and liabilities are measured at fair value for financial reporting process. In estimating the fair value of an asset or liability, the company uses market-observable data to the extent is available.

**vii) Estimate of uncertainty relating to global health pandemic (COVID-19)**

On account of COVID-19 pandemic the Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Company has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising of the future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic condition arise.

**Recent Indian accounting standards (Ind AS)**

Ministry of corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**3 (a) Property, Plant and Equipment**

(₹ In lakhs)

Carrying amount of	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Freehold land	380.14	380.14
Buildings	1,989.04	1,924.89
Plant and equipment	13,948.84	14,455.24
Furniture and fixtures	27.71	32.78
Vehicles	678.12	631.74
Office equipment	35.08	33.69
<b>Total Property, plant and equipment</b>	<b>17,058.93</b>	<b>17,458.48</b>
<b>Capital work-in-progress</b>	<b>4,157.64</b>	<b>267.46</b>
	<b>21,216.57</b>	<b>17,725.94</b>

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>Cost or Deemed Cost</b>							
Balance at 01 <sup>st</sup> April 2019	380.14	2208.31	16420.49	50.61	910.32	63.74	20033.61
Additions	-	162.48	220.94	-	201.18	13.84	598.44
Adjustments/Transfer	-	-	-	-	-	-	-
Deletions	-	0.51	4.33	-	83.54	0.05	88.43
<b>Balance at 31<sup>st</sup> March 2020</b>	<b>380.14</b>	<b>2370.28</b>	<b>16637.10</b>	<b>50.61</b>	<b>1027.96</b>	<b>77.53</b>	<b>20543.62</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2019</b>	<b>-</b>	<b>283.42</b>	<b>1965.25</b>	<b>17.83</b>	<b>278.58</b>	<b>30.05</b>	<b>2575.13</b>
Depreciation	-	97.96	726.91	5.07	130.28	12.40	972.62
Accumulated depreciation on deletions	-	0.14	3.90	-	59.02	-	63.06
<b>Accumulated depreciation as at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>381.24</b>	<b>2688.26</b>	<b>22.90</b>	<b>349.84</b>	<b>42.45</b>	<b>3484.69</b>
<b>Carrying Value as of 31<sup>st</sup> March 2020</b>	<b>380.14</b>	<b>1989.04</b>	<b>13948.84</b>	<b>27.71</b>	<b>678.12</b>	<b>35.08</b>	<b>17058.93</b>
<b>Carrying Value as of 1<sup>st</sup> April 2019</b>	<b>380.14</b>	<b>1924.89</b>	<b>14455.24</b>	<b>32.78</b>	<b>631.74</b>	<b>33.69</b>	<b>17458.48</b>
<b>Cost or Deemed Cost</b>							
Balance at 01 <sup>st</sup> April 2018	380.74	2031.25	15231.26	43.07	786.51	51.13	18523.96
Additions	-	178.28	1209.58	7.54	177.46	12.63	1585.49
Deletions	0.60	1.22	20.35	-	53.65	0.02	75.84
<b>Balance at 31<sup>st</sup> March 2019</b>	<b>380.14</b>	<b>2208.31</b>	<b>16420.49</b>	<b>50.61</b>	<b>910.32</b>	<b>63.74</b>	<b>20033.61</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2018</b>	<b>-</b>	<b>191.69</b>	<b>1252.34</b>	<b>12.10</b>	<b>184.56</b>	<b>18.98</b>	<b>1659.67</b>
Depreciation	-	92.01	715.63	5.73	121.13	11.06	945.56
Accumulated depreciation on deletions	-	0.27	2.72	-	27.11	-	30.10
<b>Accumulated depreciation as at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>283.42</b>	<b>1965.25</b>	<b>17.83</b>	<b>278.58</b>	<b>30.05</b>	<b>2575.13</b>
<b>Carrying Value as of 31<sup>st</sup> March 2019</b>	<b>380.14</b>	<b>1924.89</b>	<b>14455.24</b>	<b>32.78</b>	<b>631.74</b>	<b>33.69</b>	<b>17458.48</b>
<b>Carrying Value as of 1<sup>st</sup> April 2018</b>	<b>380.14</b>	<b>1839.56</b>	<b>13978.92</b>	<b>30.97</b>	<b>601.95</b>	<b>32.15</b>	<b>16864.29</b>

**Depreciation/Amortisation expense**

Particulars	Note	Current Year	Previous Year
* Depreciation/Amortisation for the year on Property plant and equipment	3 a	972.62	945.56
* Depreciation/Amortisation for the year on Right of use Assets	3 b	87.40	-
* Amortisation for the year on Intangible Assets	3 c	0.48	0.54
Less amount transferred from deferred revenue on account of capital grant against PPE		(7.46)	(7.46)
Depreciation/Amortisation expense on Property Plant and equipment		1053.04	938.64

**Notes on property, plant and equipment**

- Borrowing cost capitalised during the year ₹NIL (Previous year NIL).
- Also refer note 2.3 (c) for option used by the company to use carrying value of previous GAAP as deemed cost as on 1<sup>st</sup> April 2016.

**3 (b) Right of Use Asset**

(₹ In lakhs)

Carrying amount of	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Land	189.19	-
Buildings	60.37	-
<b>Total Right of Use Assets</b>	<b>249.56</b>	<b>-</b>

(₹ In lakhs)

Particulars	Land	Buildings	Total
<b>Cost or Deemed Cost</b>			
<b>Balance at 01<sup>st</sup> April 2019</b>			
Additions	256.66	-	256.66
Adjustments/Transfer (Refer note no. 40)	0.48	85.41	85.89
Deletions	-	5.59	5.59
<b>Balance at 31<sup>st</sup> March 2020</b>	<b>257.14</b>	<b>79.82</b>	<b>336.96</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2019</b>			
Depreciation	67.95	19.45	87.40
Accumulated depreciation on deletions	-	-	0.00
<b>Accumulated depreciation as at 31<sup>st</sup> March 2020</b>	<b>67.95</b>	<b>19.45</b>	<b>87.40</b>
<b>Carrying Value as of 31<sup>st</sup> March 2020</b>	<b>189.19</b>	<b>60.37</b>	<b>249.56</b>
<b>Carrying Value as of 1<sup>st</sup> April 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Refer note no 40 "Leases" for ROU assets movement

Note - The aggregate depreciation expense on right of use asset is included under depreciation and amortization expense in the statement of profit and loss.

**3 (c) Intangible Assets**

(₹ In lakhs)

Carrying amount of	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Computer Software	2.34	2.82
<b>Total Other Intangible Assets</b>	<b>2.34</b>	<b>2.82</b>

(₹ In lakhs)

Particulars	Computer Software
<b>Cost or Deemed Cost</b>	
<b>Balance at 01<sup>st</sup> April 2019</b>	4.43
Additions	-
Adjustments/Transfer	-
Deletions	-
<b>Balance at 31<sup>st</sup> March 2020</b>	<b>4.43</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2019</b>	
Depreciation	1.62
Accumulated depreciation on deletions	0.48
<b>Accumulated depreciation as at 31<sup>st</sup> March 2020</b>	<b>2.10</b>
<b>Carrying Value as of 31<sup>st</sup> March 2020</b>	<b>2.34</b>
<b>Carrying Value as of 1<sup>st</sup> April 2019</b>	<b>2.82</b>

Cost or Deemed Cost	(₹ In lakhs)
	<b>Computer Software</b>
<b>Balance at 01<sup>st</sup> April 2018</b>	4.43
Additions	-
Deletions	-
<b>Balance at 31<sup>st</sup> March 2019</b>	<b>4.43</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2018</b>	1.08
Depreciation	0.54
Accumulated depreciation on deletions	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2019</b>	<b>1.62</b>
<b>Carrying Value as of 31<sup>st</sup> March 2019</b>	<b>2.82</b>
<b>Carrying Value as of 1<sup>st</sup> April 2018</b>	<b>3.35</b>

**4 Investments (Non Current)**

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Investments carried at fair value through Profit or loss (FVTPL)</b>		
<b>Investment in equity instruments (quoted)</b>		
990 (Previous year : 900) equity shares of ICICI Bank Ltd ₹2 each fully paid)	3.22	3.61
1280000 (Previous year: 1280000) equity shares of Adinath Textiles Ltd ₹10 each fully paid up	20.48	31.36
50 (Previous year: 50) equity shares of Himachal Fibres Ltd ₹10 each fully paid up	-	-
50 (Previous year: 50) equity shares of Shiva Papers Ltd ₹10 each fully paid up	-	-
50 (Previous year: 50) equity shares of Priyadarshani Spg & Weaving Mills Ltd ₹10 each fully paid up	-	-
50 (Previous year: 50) equity shares of Aurangabad Paper Mill Ltd ₹10 each fully paid up	-	-
50 (Previous year: 50) equity shares of Pasupati Spng. & Weaving Mills Ltd ₹10 each fully paid up	-	-
<b>Investment in equity instruments (unquoted)</b>		
23500 (Previous year: 23500) equity shares of Fountain Tie up Pvt Ltd ₹10/- each fully paid up	52.16	50.76
5 (Previous year: 5) equity shares of Raheja Chamber Premises Society Ltd ₹50 each fully paid up	- *	- *
1 (Previous year: 1) equity shares of The Karnal Co-operative Sugar Ltd ₹10 each fully paid up	-	-
	<b>75.86</b>	<b>85.73</b>
1. Aggregate book value of quoted investments	0.13	0.13
2. Aggregate Market Value of quoted investments	23.70	34.97
3. Aggregate book value of unquoted investments	1.88	1.88
4. Aggregate Market Value of unquoted investments	52.16	50.76
5. Aggregate amount of impairment in value of investments	-	-

\*Read as ₹250/-

**5 Financial Asset: Loans****Financial assets at amortized cost considered good - unsecured**

Employee Loans	5.61	3.07
	<u>5.61</u>	<u>3.07</u>

**6 Other financial assets****Financial assets at amortized cost  
(unsecured considered good, unless otherwise stated)**

Deposits with Banks with maturity period more than 12 months*	55.00	102.14
Interest accrued on fixed deposits	6.75	4.81
	<u>61.75</u>	<u>106.95</u>

\*Includes ₹55.00 lakhs (Previous year ₹102.14 lakhs), kept as fixed deposits against bank guarantees, letter of credits and other commitments

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>7 Other non current assets (Unsecured considered good)</b>		
Advances for property, plant and equipment	835.55	465.90
Prepaid expenses	29.57	33.75
Balances with Statutory/Government Authorities	21.63	101.20
Deferred Expenses for Employee Benefit (Loan)	0.91	0.56
Others	235.75	217.57
	<u>1,123.41</u>	<u>818.98</u>
<b>8 Inventories (At cost or net realizable value whichever is lower)</b>		
Raw materials	1,668.42	1,682.07
Work in Progress	193.25	347.18
Finished Goods	450.88	350.23
Stores, Spares and components	1,681.47	1,657.88
<b>Material in Transit</b>		
- Raw Material	273.12	52.76
- Store, Spares and components	35.95	61.83
	<u>4,303.09</u>	<u>4,151.95</u>

## Notes:

- The cost of inventories recognised as an expense during the year was ₹27660.63 lakhs (previous year : ₹27312.18 lakhs).
- The mode of valuation of inventories has been stated in Note 2 (f) on Accounting policy for inventories i.e. at cost or net realisable value which ever is lower
- Inventories are hypothecated against loans repayable on demand from banks. (Refer Note 24 on Borrowings)

**9 Investments (current)****Investments carried at Fair value through Profit or loss (Mandatorily measured)****Investment in Equity Fund/Liquid Funds/Debt Funds (Quoted)**

100000 (Previous year: 100000) units of ₹10 each fully paid-up of SBI Banking Financial Services Fund-GP	13.03	17.99
Nil (Previous year 25733.733) units of ₹100/- each fully paid-up of Birla Sunlife Balanced 95 Fund- Growth	-	195.68
Nil (Previous year 143636.886) units of ₹100/- each fully paid-up of ICICI Prudential Balanced Fund, Direct GP	-	206.94
Nil (Previous year 572021.187) units of ₹10/- each fully paid-up of ICICI Prudential Balanced Fund-GP	-	769.03
Nil (Previous year: 526842.632) units of ₹10 each fully paid-up of Reliance Regular Saving Fund- Balanced- GP	-	290.36

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>9 Investments (current)</b>		
<b>Investments carried at Fair value through Profit or loss (Mandatorily measured)</b>		
Nil (Previous year 506019.980) units of ₹10/- each fully paid-up of DSP Black Rock Income Opp.Fund -GP	-	142.02
Nil (Previous year 2052966.750 units of ₹10/- each fully paid-up of Kotak Medium Term Fund-GP	-	313.77
Nil (Previous year 3134185.527) units of ₹10/- each fully paid-up of Kotak Income Opp. Fund-GP	-	637.59
2237937.517 (Previous year Nil) units of ₹10/- each fully paid-up of Kotak Balanced Advantage Fund -GP	207.30	-
433703.198 (Previous year Nil) units of ₹10/- each fully paid-up of DSP Short Term Fund -GP	148.19	-
Nil (Previous year 1287919.461) units of ₹10/- each fully paid-up of Reliance Reg Savings Fund-Debt Plan-GP	-	331.88
781961.513 (Previous year Nil) units of ₹10/- each of Nippon India Short Term Fund-GP	295.39	-
Nil (Previous year 1169179.700) units of ₹10/- each fully paid up of Birla Sunlife Corporate Bond Fund-GP	-	159.82
2296566.706 (Previous year 2296566.706) units of ₹10/- each fully paid up Franklin India Credit Risk Fund -GP	429.39	449.64
5015.442 (Previous year 5015.442 ) units of ₹1000/- each fully paid up Franklin India Short Term Income Plan - GP	192.17	200.48
Segregated portfolio of Nippon India & Franklin India Funds	1.90	-
6110191.53 (Previous year 6110191.53 ) units of ₹10/- each fully paid up Axis Equity Saver Fund - GP	732.61	780.88
14097.37 (Previous year Nil) units of ₹1000/- each AXIS Banking & PSU Debt FUND -GROWTH	269.46	-
2201511.705(Previous year 2201511.705) units of ₹10/- each fully paid up BOI AXA Credit Risk Fund - GP	166.89	291.41
1716251.154 (Previous year 436916.820) units of ₹10/- each fully paid up ICICI Prudential Balanced Advantage Fund - GP	524.66	154.41
1156588.157 (Previous year Nil) units of ₹10/- each ICICI Prudential Banking and PSU Debt Fund - Growth	267.89	-
2353350.782 (Previous year Nil) units of ₹10/- each ICICI Prudential Short Term Fund- Growth Option	992.39	-
613195.977 (Previous Year Nil) units of ₹10/- each ICICI Prudential Balanced Advantage Fund -Direct Plan -Growth	187.45	-
759369.913 (Previous Year Nil) units of ₹10/- each HDFC Short Term Debt Fund -Regular Plan -Growth	171.92	-
104572.721 (Previous Year Nil) units of ₹10/- each HDFC Balanced Advantage Fund -Regular Plan -Growth	157.11	-
624882.834 (Previous Year Nil) units of ₹10/- each IDFC Bond Fund -Medium Term Plan -Growth -(Regular Plan)	213.36	-
947454.206 (Previous year Nil) units of ₹10/- each ICICI Prudential Balanced Advantage Fund -Growth	289.64	-
732780.683 (Previous year Nil) units of ₹10/- each ICICI Prudential Balanced Advantage Fund -Direct Plan -Growth	241.82	-
2084991.083 (Previous year Nil) units of ₹10/- each ICICI Prudential Balanced Advantage Fund -Growth	637.38	-



**9 Investments (current)****Investments carried at Fair value through Profit or loss (Mandatorily measured)**

653811.181 (Previous year 653811.181) units of ₹10/- each fully paid up Edelweiss Balanced Advantage Fund - GP	145.08	154.04
^ Edelweiss All Weather Equity Solution Fund	244.76	300.00
20 (Previous year 20) units of ₹100000/- each fully paid up HDB Financial Services Ltd	220.44	202.82
Nil (Previous year 967397.816) units of ₹10/- each fully paid up HDFC Hybrid Equity Fund - GP	-	526.69
^ Avendus Enhanced Return Fund Class AI-7th closure	240.37	308.14
^ Avendus Enhanced Return Fund Class AI-13th closure	151.61	194.47
	7,142.21	6,628.05
1. Aggregate book value of quoted investments	7,816.65	6,120.24
2. Aggregate Market Value of quoted investments	7,142.21	6,628.05
3. Aggregate amount of impairment in value of investments	674.44	-
^ These Investments are managed through PMS Refer Note no 38 for investments pledged as Security		

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>10 Trade receivables</b>		
Trade Receivable Considered good, Secured	32.81	31.07
Trade Receivable Considered good, Unsecured	2,744.10	3,882.54
Trade Receivable with significant credit risk	-	-
Trade Receivable Credit Impaired	16.53	11.66
	2,793.44	3,925.27
Loss allowances for credit impaired	(16.53)	(11.66)
	2,776.91	3,913.61
Trade receivables includes ₹Nil, (Previous year ₹1.08 lakhs) due from Related Party. There is no amount due from director, other officer of the company or firm in which any director is a partner or private company in which any director is a director or member at any time during the year.		
The Company has used a practical expedient by computing the expected loss allowances for trade receivables based on historical credit loss experience		
<b>11 Cash and Cash equivalents</b>		
Balance with banks in		
-Current accounts	11.83	6.20
-Cheques in hand	0.43	0.44
Cash on hand	5.77	9.84
	18.03	16.48
<b>12 Other Bank Balances</b>		
<b>Earmarked balances with banks</b>		
a) Balances with banks		
- In current accounts (unpaid dividend Account)	105.49	52.58
b) - In Fixed Deposits (held under margin money and other commitments)		
-with maturity less than 3 months	164.55	108.62
-with maturity more than 3 months but less than 12 months	176.49	158.15
-with maturity more than 12 months	55.00	102.14
	501.53	421.49

(₹ in lakhs)

Particulars	As at	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Less Disclosed as "Non Current Financial Assets" (refer Note 6)	55.00	102.14
<b>Total</b>	<b>446.53</b>	<b>319.35</b>
<b>13 Financial Assets: Loans</b>		
<b>Financial assets at amortized cost considered good - unsecured</b>		
Inter Corporate Loans	203.00	-
Employee Loans	41.60	37.48
Employee Advances	0.06	0.31
	<b>244.66</b>	<b>37.79</b>
<b>14 Other Financial Assets</b>		
<b>Financial assets at amortized cost (unsecured considered good, unless otherwise stated)</b>		
Interest Receivable		
-Interest accrued on fixed deposits	9.85	5.40
-others	76.69	67.08
Other Recoverables	135.92	108.71
	<b>222.46</b>	<b>181.19</b>
<b>15 Income Tax Asset (Net)</b>		
Provision for Taxes	5,249.35	4,246.35
Prepaid Taxes	5,301.72	4,274.83
<b>Income Tax Asset (Net of Provision)</b>	<b>52.37</b>	<b>28.48</b>
<b>16 Other current assets</b>		
Advances to vendors	111.84	121.87
Prepaid expenses	106.05	285.66
Balances with Statutory/Government Authorities	76.32	12.88
Others	12.57	10.15
	<b>306.78</b>	<b>430.56</b>

**17 Equity share capital**

(₹ in lakhs)

Particulars	As at		As at	
	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity shares of ₹10 each (par value)	19,000,000	1,900.00	19,000,000	1,900.00
Redeemable Cumulative Preference shares ₹100 each (par value)	100,000	100.00	100,000	100.00
<b>Total</b>	<b>19,100,000</b>	<b>2,000.00</b>	<b>19,100,000</b>	<b>2,000.00</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹10 each (par value)	13,825,000	1,382.46	13,825,000	1,382.46
Forfeited Shares (Amount Originally paid up)		0.01		0.01
<b>Total</b>	<b>13,825,000</b>	<b>1,382.47</b>	<b>13,825,000</b>	<b>1,382.47</b>

**a) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	Equity Share Capital (₹ in lakhs)			
	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Number	Amount	Number	Amount
<b>Issued, subscribed and paid-up equity shares</b>				
Shares and share capital outstanding at the beginning of the period	13,825,000	1,382.47	13,82,5000	1382.47
Shares and share capital issued during the period	-	-	-	-
Shares and share capital outstanding at the end of the period	13,825,000	1,382.47	13,82,5000	1382.47

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

The company presently has one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per equity share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board has declared an Interim Dividend of ₹3/- per equity share of ₹10/- in their meeting held during February 2020 for the financial year ended March 31, 2020. Accordingly the company had paid interim dividend of ₹3 per equity share of ₹10/- each during the month of February 2020. Keeping in view the current situation caused due to COVID-19, the Board of Directors have not recommended any additional dividend and the interim dividend be treated as Final Dividend.

**c) The details of equity shareholders holding more than 5% of the aggregate equity shares**

Particulars	Equity shares capital			
	As at 31 March 2020		As at 31 March 2019	
	Number of Shares held	% shareholding	Number of Shares held	% shareholding
Jagvallabh Parasnath Capital Investment (P) Ltd	11,59,518	8.39%	9,12,501	6.60%
Adeep Investment Company	7,37,395	5.33%	7,37,395	5.33%
Ojasvi Investment & Mercantile Company	7,52,500	5.44%	7,52,500	5.44%
Levina Investment & Mercantile Company	9,87,565	7.14%	7,82,250	5.66%
Mood Dealers Pvt. Ltd	20,60,000	14.90%	20,60,000	14.90%
Achin Investment & Mercantile Company	7,17,150	5.19%	7,17,150	5.19%

**d) Detail of Shares held by holding company/ ultimate holding company their subsidiaries and associates**

There is no holding /ultimate holding company of the company and therefore no subsidiary/associate of holding / ultimate holding company.

**e) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five year immediately preceding the balance sheet date:**

Particulars	As at 31 March 2020	As at 31 March 2019
Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
Equity shares allotted as fully paid up by way of bonus shares	-	-
Equity shares bought back by the Company	-	-

**18 Other Equity\***

A Particulars	Note	(₹ in lakhs)	
		As at 31 March 2020	As at 31 March 2019
a. Capital reserve	I (a)		
Opening balance		2.10	2.10
Additions		-	-
Deductions		-	-
Closing balance		2.10	2.10

Particulars	Note	(₹ in lakhs)	
		As at 31 March 2020	As at 31 March 2019
b. Securities premium	I (b)		
Opening balance		1,923.75	1,923.75
Additions		-	-
Deductions		-	-
Closing balance		1,923.75	1,923.75
General reserve			
c. Opening balance	I (c)	3,896.69	3,896.69
Additions		-	-
Deductions		-	-
Closing balance		3,896.69	3,896.69
Retained earnings			
d. Opening balance	I (d)	12,667.16	8,272.12
Additions		3,196.11	4,695.03
Deductions		(1,333.31)	(299.99)
Closing balance		14,529.96	12,667.16
e. Items of other comprehensive income:	I (e)		
Opening balance		(49.60)	(20.32)
Additions		(77.05)	(29.28)
Deductions		-	-
Closing balance		(126.65)	(49.60)
<b>Total</b>		<b>20,225.85</b>	<b>18,440.10</b>

\* Refer Statement of Change in Equity for movement during the year

#### Note

#### I Nature and purpose of reserve

- a) **Capital reserve:** The amount of capital profit on reissue of forfeited shares is recognised as Capital Reserve.
- b) **Securities premium account:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. It can be utilized in accordance with the provisions of the Companies Act 2013, for issuance of bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc
- c) **General Reserve:** General Reserves are the free reserves of the Company which are kept aside out of Company's profit to meet future requirement as and when they arise. The Company had transferred a portion of the profit after tax to General reserves pursuant to the earlier provisions of the Companies Act '1956. Mandatory transfer to General Reserve is not required under the Companies Act 2013.
- d) **Retained earnings:** Retained earnings are the accumulated profit earned by the Company till date less transfer to General Reserve and payment of Dividend (including dividend distribution tax).
- e) **Other comprehensive income:** The reserve represents cumulative gain and loss on remeasurement of defined benefit plan and return on plan assets (excluding amount included in net interest). The balance in the reserve can be transferred to retained earnings as and when the company decides to do so.

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Proposed Dividend on Equity Shares (refer note 48)		
Dividend for the year ended 31 <sup>st</sup> March, 2020: ₹Nil (31 <sup>st</sup> March, 2019 : ₹5.00 per share)	-	691.23
Dividend Distribution Tax on proposed dividend	-	142.08
<b>Total</b>	<b>-</b>	<b>833.31</b>

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
II Interim Dividend on Equity Shares (refer note 48)		
Interim Dividend for the year ended 31 <sup>st</sup> March, 2020: ₹3.00 per share (31 <sup>st</sup> March, 2019 : ₹Nil per share)	414.74	-
Dividend Distribution Tax on Interim dividend	85.25	-
<b>Total</b>	<b>499.99</b>	<b>-</b>

Particulars	(₹ in lakhs)			
	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
<b>B Preference share capital</b>				
<b>Authorised</b>				
Redeemable Cumulative Preference shares ₹100 each (par value)	100,000	100.00	100,000	100.00

#### Rights attached to preference shares

The company has not issued preference shares during the current and previous year.

**19 Borrowing (Non-Current)**

(₹ in lakhs)

Particulars	As at	
	31 March 2020	31 March 2019
<b>Secured (at amortised cost)</b>		
<b>Term Loans</b>		
From Banks	2,914.52	1,344.88
Less :Current maturities of non current borrowings	366.40	344.54
From Others	4.72	10.66
Less: Current maturities of non current borrowings	4.72	5.94
<b>Unsecured</b>		
<b>Deposits</b>		
From related parties (refer note 54)	143.20	139.70
From others	389.42	362.18
Less: Current maturities of non current deposits	161.78	65.95
<b>Total</b>	<b>2,918.96</b>	<b>1,440.99</b>

**a) Details of security for term loans**

- i Term loans from banks (other than vehicles) are secured by a joint equitable mortgage created or to be created on immovable properties both present and future, situated at Ahmedgarh and Banah in the state of Punjab and hypothecation of whole of movable plant and machinery, machinery spares, tools and accessories and other movable, both present and future (save and except book debts) subject to the charge created or to be created by the company in favour of its bankers for its working capital loans. Term loans from banks are also personally guaranteed by promoter directors of the company (refer note 38).
- ii Term loans from banks and others for vehicles are secured by way of hypothecation of vehicles purchased out of such loans.

**b Terms of repayment of term loans from banks**

Borrowings	₹ in lakhs		Installment Schedule					
	Balance as at		Number of Installment		Rate of Interest %	Installment ₹ lakhs	Peroidicity of repayment	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019			As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
SBI	49.75	49.51	1	1	10.15	50.00	Due in July 2020	Due in July 2020
SBI	24.98	24.40	1	1	10.15	25.00	Due in April 2022	Due in April 2022
SBI	1829.72	-	-	-	9.50	-	Quarterly wef June 2021	-
SBI	20.86	61.22	1	3	10.15	20.00	Quarterly	Quarterly wef October 2019
IDBI Bank Ltd	897.07	1157.07	14	18	9.90	65.00	Quarterly	Quarterly
HDFC Bank Ltd	-	1.34	-	8	9.64	0.17	-	Monthly
HDFC Bank Ltd	-	1.34	-	8	9.64	0.17	-	Monthly
HDFC Bank Ltd	-	16.33	-	12	8.63	1.42	-	Monthly
HDFC Bank Ltd	-	17.75	-	12	8.63	1.55	-	Monthly
HDFC Bank Ltd	78.09	-	33	-	8.50	2.66	Monthly	-
HDFC Bank Ltd	5.90	-	36	-	8.50	0.19	Monthly	-
HDFC Bank Ltd	2.34	5.23	9	21	9.16	0.27	Monthly	Monthly
HDFC Bank Ltd	5.81	10.69	13	25	9.02	0.47	Monthly	Monthly
	<b>2914.52</b>	<b>1344.88</b>						

\* Note: Figures of term loan stated above in para (a) includes current maturities of long term debt shown separately in Note No 26

\*\* Repaid during the year

**c Terms of repayment of term loans from others**

Repayment schedule of unsecured loans/deposits from related parties is within period of 3 years from the date of acceptance and carry interest upto 11 % p.a (Previous year upto 11% p.a)

Repayment schedule of unsecured loans/deposits from public is within period of 3 years from the date of acceptance and carry interest upto 11 % p.a (Previous year upto 11% p.a)

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>20 Other Financial Liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Lease liability for Right of Use Assets (Refer note 40)	174.93	-
Security Deposits	9.79	9.79
<b>Total</b>	<b>184.72</b>	<b>9.79</b>
<b>21 Provisions</b>		
Provision for employee benefits :		
- Gratuity (Net) (refer note 39)	199.44	133.59
- Compensated Absences	316.21	273.63
<b>Total</b>	<b>515.65</b>	<b>407.22</b>
<b>22 Deferred Tax Liability</b>		
<b>a) Deferred Tax Liability</b>		
Property, Plant and Equipment	2,519.33	3,388.26
Investments measured at FVTPL	-	137.12
	<b>2,519.33</b>	<b>3,525.38</b>
<b>b) Deferred Tax Asset</b>		
Expenditure deductible in future years (on Payment basis)	155.82	191.33
	<b>155.82</b>	<b>191.33</b>
<b>Net (a-b)</b>	<b>2,363.51</b>	<b>3,334.05</b>
Deferred Tax Assets and Deferred Tax Liability have been offset as they relate to the same governing taxation laws. (Refer Note No. 52 for deferred tax movement and related disclosures)		
<b>23 Other non current liabilities</b>		
Deferred Government Grant related to Property, plant and equipment	91.67	99.13
<b>Others Payables</b>		
Due To Employees	30.81	40.93
<b>Total</b>	<b>122.48</b>	<b>140.06</b>
<b>24 Borrowings (current)</b>		
<b>a) Loan repayable on demand</b>		
<b>From banks</b>		
Secured	1,717.52	641.08
Unsecured	-	102.72
<b>From Others (Unsecured)</b>		
Inter Corporate Deposits	66.03	66.03
Loans and advances form Related Parties (refer note 54)	336.16	436.16
<b>b) Deposits (Unsecured)</b>		
- From related parties (refer note 54)	-	-
- From public	28.95	54.00
<b>Total</b>	<b>2,148.66</b>	<b>1,299.99</b>

**Details of security of loans repayable on demand (secured)**

- Secured loans repayable on demand from banks for working capital ₹1120.77 lakhs (previous year ₹641.08 lakhs) are secured by hypothecation of stocks of raw materials, finished goods, bills receivables, book debts and all other movable assets of the company and further secured by way of second charge on the immovable assets situated at village Banah and at Ahmedgarh and also personally guaranteed by two promotor directors of the company (refer note 38).
- The Company has obtained overdraft facility from Bank against pledge of current investment as stated in Note No 9. The outstanding balance against this facility is ₹596.75 lakhs (previous year ₹Nil) (refer note 38)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>25 Trade Payable</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note 44]	63.45	14.04
Total Outstanding dues of creditors other than dues to Micro and Small Enterprises	4,672.76	4,443.02
	<u>4,736.21</u>	<u>4,457.06</u>
<b>26 Other Financial Liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Current Maturities of Long term debt-Secured*	371.12	350.48
Current Maturities of Deposits- Unsecured*	161.78	65.95
Interest accrued but not due on borrowings	139.74	93.00
Interest accrued and due on borrowings	11.91	0.61
Security Deposits	345.30	343.54
<b>Others Payables</b>		
- Due to Employees	774.48	726.21
- Expense payable**	835.26	743.13
- Unclaimed dividend#	105.49	52.58
- Payable on purchases of Property, Plant & Equipment	307.28	199.85
- Lease liability for Right to Use Assets	74.16	-
<b>Financial Liabilities at Fair Value through Profit and Loss</b>		
-Derivative Instruments	13.73	0.72
	<u>3,140.25</u>	<u>2,576.07</u>
<p>*Current maturities of Long term debt includes ₹102.70 lakhs (previous year ₹55.87 lakhs) as deposits from shareholders and public, and ₹59.08 lakhs (previous year ₹10.08 lakhs) as deposits from related parties.  **Expenses payable includes amount payable to Directors ₹59.06 lakhs (Previous year ₹Nil)  # As at the year end there is no amount due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013.</p>		
<b>27 Other current Liabilities</b>		
Advances from customers	80.76	517.41
Deferred Government Grant related to Property Plant and equipment	7.46	7.45
<b>Others Payables</b>		
Due To Employees	27.82	22.76
Statutory remittances**	186.91	230.20
	<u>302.95</u>	<u>777.82</u>
<p>** Statutory remittance includes contribution to provident fund and ESIC, tax deduction at source, Goods and Service tax etc.</p>		
<b>28 Provisions</b>		
Provision for employee benefits :		
- Compensated Absences	206.43	185.33
	<u>206.43</u>	<u>185.33</u>
<b>29 Revenue from operations</b>		
<b>Sale of products</b>		
Paper	48,952.65	50,483.06
Soda Ash (from Chemical Recovery)	4,797.83	4,731.24
By Product & Miscellaneous	273.68	375.65
<b>Traded Goods:</b>		
Paper	-	1,684.96
Waste Paper	-	65.45
<b>Other Operating Revenues</b>		
Export Incentives	6.76	50.55
	<u>54,030.92</u>	<u>57,390.91</u>

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>30 Other income</b>		
Interest income from financial assets measured at amortised cost		
Interest on Bank deposits	32.62	27.25
Interest from Others	21.12	13.03
Dividend Income From Non current Investments carried at fair value	0.01	0.01
Net Gain on sale of Investments -carried at FVTPL	423.63	347.93
Net gain on foreign currency transaction	-	18.13
Reversal of expected credit loss in trade receivables	0.23	6.90
Provisions no longer required written back	3.47	2.63
Sundry Balances written back	18.10	19.07
Rent Received	21.78	19.93
Net Gain on disposal/discard of property, plant and equipment	20.94	124.21
Interest income on employee loans	0.98	0.67
Miscellaneous	59.52	18.47
	<u>602.40</u>	<u>598.23</u>
<b>31 Cost of material consumed</b>		
<b>Raw material consumed</b>		
Opening Stock of Raw material	1,682.07	1,415.98
Purchases of Raw material	25,985.84	25,678.64
Less Closing Stock	1,668.42	1,682.07
Consumption of Raw material	<u>25,999.49</u>	<u>25,412.55</u>
<b>Item wise detail</b>		
Waste Paper	258.73	378.41
Wood Pulp	3,785.68	4,504.18
Straws/Grasses	9,292.09	6,852.37
Caustic Lye	8,153.00	9,047.01
Chlorine	153.38	272.06
Other Dyes & Chemicals	4,356.61	4,358.52
	<u>25,999.49</u>	<u>25,412.55</u>
<b>32 Purchase of stock-in-trade</b>		
Paper	-	1,673.21
Waste paper	-	70.55
	<u>-</u>	<u>1,743.76</u>
<b>33 Changes in inventories of finished goods, stock-in-trade and work in progress</b>		
<b>Opening Stock</b>		
Work in Progress	347.18	137.91
Finished goods	350.23	280.96
	<u>697.41</u>	<u>418.87</u>
<b>Closing Stock</b>		
Work in Progress	193.25	347.18
Finished goods	450.88	350.23
	<u>644.13</u>	<u>697.41</u>
Net (Increase) / Decrease in opening and closing stock	53.28	(278.54)



(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>34 Employee benefits expense</b>		
Salaries, wages and other allowances	5,600.91	5,064.52
Contribution to provident and other funds	550.52	511.29
Staff welfare expense	60.20	73.87
	<u>6,211.63</u>	<u>5,649.68</u>
<b>35 Finance cost</b>		
<b>a) Interest expenses</b>		
-On Term loan and other working capital loans	139.10	193.81
-Others	220.67	340.34
b) Other borrowing costs	98.34	100.04
c) Processing Charges amortised	2.43	2.80
<b>Total</b>	<u>460.54</u>	<u>636.99</u>
<b>36 Other expenses</b>		
Power and fuel	9,854.19	10,743.26
Consumption of stores and spares parts	453.36	424.97
Packing material	877.32	909.87
Repairs and Maintenance		
- Plant and Machinery	1,577.89	1,774.38
- Building	221.07	241.05
- Others	13.76	12.51
Rent	0.01	25.35
Insurance Charges	67.65	59.05
Expenditure of CSR Activities (refer note 49)	52.72	43.59
Rates and taxes	21.02	23.07
Legal and Professional Charges	38.58	36.65
Director Sitting Fees	2.75	2.55
Payment to Auditors (refer note 43)	4.42	4.39
Trade Receivables and other balances written off	2.99	10.86
Expected Credit Loss	5.10	5.32
Net loss on value of Investments carried at fair value	1,194.13	14.76
Net loss on Foreign currency transactions	19.75	-
Commission on sales	1,549.68	1,110.70
Miscellaneous	1,644.46	1,395.34
	<u>17,600.85</u>	<u>16,837.67</u>

**37 Contingent liabilities and commitments (to the extent not provided for)**

(No cash outflow is expected)

**A Contingent Liabilities**

- a) Claims against the company not acknowledged as debt in respect of direct and indirect taxes amounted to ₹310.91 lakhs (previous year ₹220.19 lakhs). These matters are pending before various Appellate authorities. According to the management and tax advisors that the demand raised is not in accordance with the provisions of respective laws and its ultimate resolution will not have a material adverse effect on the company financial position and result of operations. The detail of cases is as under:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Disputed Amount	Amount Unpaid
Central Excise Act, 1944	Excise Duty	Assistant Commissioner, Phagwara	1.43	1.43
Central Excise Act, 1944	Excise Duty	Commissioner Appeals, Ludhiana	73.77	62.23
Central Excise Act, 1944	Excise Duty	Joint Commissioner, Ludhiana	1.45	0.53
Punjab VAT Act, 2005	Sales Tax	High Court, Chandigarh	4.00	3.00

(₹ in lakhs)

Name of the Statute	Nature of Dues	Forum where dispute is pending	Disputed Amount	Amount Unpaid
Punjab VAT Act, 2005	CST	VAT Tribunal	17.39	13.04
Punjab VAT Act, 2005	VAT	Excise and Taxation Officer, Ahmedgarh	9.53	5.72
Income tax Act'1961	Income Tax	Jurisdictional Assessing Officer, Ludhiana	0.13	0.13
Income tax Act'1961	Income Tax	Commissioner Appeals, Ludhiana	203.20	203.20

Amount paid to statutory authorities against above tax claims amounted to ₹21.63 lakhs (previous year ₹101.20 lakhs) is included under Note 7 'Other non current assets'.

- b) Liability on account of outstanding bank guarantees and letter of credit of ₹2087.28 lakhs (previous year ₹2675.64 lakhs).
- c) The Hon'ble Supreme Court in a recent ruling last year had passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, cannot be ascertained. The Company will update its provision, on receiving further clarity on this subject matter.

	As at March 31, 2020	As at March 31, 2019
<b>B Commitments</b>		
a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	1,136.89	2,010.02
b) Others #	-	4.71
	<u>1,136.89</u>	<u>2,014.73</u>

#Bonds executed in favour of The President of India under sub section (l) of the section 142 of the Custom Act 1962 for fulfillment of the obligation under the said Act.

**38 Assets pledged as Security:-**

The Carrying amount of assets pledged as security for borrowings are as follows:-

			(₹ in lakhs)	
Particulars of Asset Pledged	Particulars of Borrowings	Type of Charge	As at 31st March 2020	As at 31st March 2019
Inventories	Current Borrowings	First Charge	4303.09	4151.95
Trade Receivables	Current Borrowings	First Charge	2776.91	3913.61
Property Plant and Equipments	Current Borrowings	Secondary Charge	17058.93	17458.48
Property Plant and Equipments	Non Current Borrowings	First Charge	-	-
Investments (~ Detail as under)	Current Borrowings	Exclusive Charge	2400.41	2326.13
<b>Total Assets Pledged as Security</b>			<u>26539.34</u>	<u>27850.17</u>

**~ Detail of Investment Pledged as Security**

			(₹ in lakhs)	
Particulars of Investment	As at 31st March 2020	As at 31st March 2019		
433703.198 units of DSP Short Term Fund -GP	148.19	-		
2296566.706 (Previous year 2296566.706 ) units of Franklin India Credit Risk Fund -GP	429.39	449.64		
3000000 units of Axis Equity Saver Fund - GP	359.70	-		
2201511.705 (Previous year 2201511.705) units of BOI AXA Credit Risk Fund - GP	166.89	291.41		
1716251.154 units of ICICI Prudential Balanced Advantage Fund - GP	524.66	-		

Particulars of Investment	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
916065.497 units ICICI Prudential Short Term Fund- Growth Option	386.30	-
759369.913 units of HDFC Short Term Debt Fund - Regular Plan - Growth	171.92	-
624882.834 units of IDFC Bond Fund- Medium Term Plan - Growth -(Regular Plan)	213.36	-
506019.980 units of DSP Black Rock Income Opp.Fund -GP	-	142.02
2052966.750 units of Kotak Medium Term Fund-GP	-	313.77
3134185.527 units of Kotak Income Opp. Fund-GP	-	637.59
1287919.461 units of Reliance Reg Savings Fund-Debt Plan-GP	-	331.88
1169179.700 units of Birla Sunlife Corporate Bond Fund-GP	-	159.82
<b>Total</b>	<b>2400.41</b>	<b>2326.13</b>

The above investments are lien marked against Overdraft facility from Deutsche Bank AG against overdraft facility sanctioned by it. The outstanding balance against this facility is ₹596.75 Lakhs (previous year ₹Nil)

### 39 Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits:

- a) Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under:

	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Provident fund administered through Regional Provident Fund Commissioner	422.46	370.02
Other funds	-	-

The expenses incurred on account of the above defined contribution plans have been included in Note No.34 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

- b) Defined Benefit Plans:

The following tables set out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2020 and March 31, 2019.

i) Changes in the present value of the defined benefit obligations are as follows	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation at the beginning of the year	2,161.30	1,939.86
Interest cost	159.16	143.22
Current Service cost	151.67	135.40
Actual Benefits paid	(134.17)	(103.75)
Past Service cost including curtailment gains/losses	-	-
Actuarial (gain) / loss	103.19	46.57
Present value of defined benefit obligation at end of the year	<b>2,441.15</b>	<b>2,161.30</b>
ii) Changes in the Fair value of plan assets are as follows		
Fair value of plan assets at the beginning of the year	2,027.71	1,528.81
Expected return on plan assets	156.29	129.82
Contribution by the Employer	191.66	472.16
Return on plan assets (excluding amounts included in net interest expenses)	0.22	1.56
Actual Benefits paid	(134.17)	(104.64)
Fair value of plan assets at the end of the year	<b>2,241.71</b>	<b>2,027.71</b>

	As at March 31, 2020	(₹ in lakhs) As at March 31, 2019
<b>iii) Net Liability /(Assets) recognised in the Balance Sheet</b>		
Present value of the defined benefit obligation at end of the year	2,441.15	2,161.30
Less: Fair value of plan assets	2,241.71	2,027.71
Unfunded Liability/Asset in Balance Sheet	<u>199.44</u>	<u>133.59</u>
<b>iv) Amount recognised in the statement of profit and loss</b>		
Total Service cost	151.67	135.40
Net interest cost	2.87	13.40
Amount recognised in the statement of profit and loss	<u>154.54</u>	<u>148.80</u>
<b>v) Amount recognised in other Comprehensive Income (OCI)</b>		
Actuarial Gain/(Loss) arising from change in financial assumption	(130.82)	(6.26)
Actuarial Gain/(Loss) arising from experience adjustment	27.63	(40.31)
Return on plan assets (excluding amount included in net interest expense)	0.22	1.56
Net Income/(Expense) for the period recognized in OCI	<u>(102.96)</u>	<u>(45.01)</u>
<b>vi) The major categories of plan assets as a percentage of the fair value of total plan assets Investment with LIC of India</b>	<b>2,241.71</b>	<b>2,027.71</b>
The plan assets ₹2241.71 lakhs as on 31st March 2020, (₹2027.71 lakhs as on 31st March 2019) are maintained with Life Insurance Corporation of India (LIC). The detail of investments maintained by LIC have not been furnished to the Company. The same have, therefore, not been disclosed.		
<b>vii) The Principal assumptions used for the purpose of the Actuarial valuation are as follows</b>		
Discount rate (per annum)	6.66%	7.60%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Attrition rate	5.00%	5.00%
Method used	Projected unit credit	Projected unit credit
Mortality rates inclusive of provision for disability	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate
The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19		
<b>viii) The estimates of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.</b>		
<b>ix) The plan typically exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.</b>		
<b>Investment Risk</b>		
The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment.		
<b>Interest risk</b>		
If the Discount Rate i.e the yield on the Government Bonds decrease in future, the Actuarial Liability will increase and vice versa. The quantum of increase in valuation liability corresponding to specific decrease in the Discount Rate and vice versa, has been shown in the annexure containing the sensitivity Analysis of Key Actuarial Assumption.		
<b>Longevity risk</b>		
If the Mortality rate experienced by the staff of a particular company is higher than what is assumed in mortality Table used in the valuation, the valuation liability will increase.		
However, it will be very cumbersome to measure the quantum of increase for assumed reduction of Mortality rates as can be done in case of changes in salary Growth Rate and Interest Rate.		
<b>Salary risk</b>		
If the salary Growth Rate over the future years of services is increased, the Actuarial Liability will increase and vice versa. The quantum of increase in the valuation liability corresponding to specific increase in the salary growth rate and vice versa has been shown in the annexure containing Sensitivity Analysis of Key Actuarial Assumption.		
<b>x) The quantitative sensitivity analysis on net liability recognised on account of change in significant assumptions</b>		(₹ in lakhs)
<b>Present value of obligation at the end of the period</b>	2,441.15	2,161.30
<b>a) Increase/(decrease) in obligation due to change in discount rate</b>		
1. Impact due to increase of 1%	(94.22)	(84.86)
2. Impact due to decrease of 1%	104.63	93.99
<b>b) Increase/(decrease) in obligation due to change in salary</b>		
1. Impact due to increase of 1%	101.24	91.44
2. Impact due to decrease of 1%	(93.13)	(84.08)

	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>c) Increase/(decrease) in obligation due to change in Attrition rate</b>		
1. Impact due to increase of 1%	2.83	2.46
2. Impact due to decrease of 1%	(3.17)	(2.76)
As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.		
<b>xi) Maturity profile of defined benefit obligation as per Terminal Salary &amp; TLOS:</b>		
Year ended		
a) 1st following year	883.84	716.21
b) 2nd to 5th following year	1,024.63	957.58
c) 6th to 10th following year	1,101.55	1,072.51
d) 11th following year onwards	2,450.62	2,529.44
<b>xii)</b> The company expects to contribute ₹200 lakhs to the gratuity trust during the fiscal 2021		
<b>xiii)</b> The average duration of the defined benefit plan obligation at the end of the reporting period is 13.14 years (previous year 13.03 years)		

**xiv) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current liability**

	2019-20	2018-19
Current liability (amount due within one year)	868.80	703.12
Non-current liability (amount due over one year)	1,572.35	1,458.18
Total PBO at the end of year	<u>2,441.15</u>	<u>2,161.30</u>

**c) Other long term employee benefits**

- (i) Amount recognised in profit and loss in Note No. 34 "Employee benefit expense" under the head "Salaries, wages and other allowances" towards leave encashment is ₹151.17 lakhs (Previous year ₹170.70 lakhs)
- (ii) Amount taken to balance sheet

	(₹ in lakhs)	
Particulars	As at March 31, 2020	As at March 31, 2019
- Current	206.43	185.33
- Non-current	316.21	273.63

**40 Disclosures as required by Indian Accounting Standard (Ind AS) 116 Lease**

The Company has lease contracts for Land and Buildings. Leases of land have lease terms of 1 to 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹85.41 lakhs and a lease liability of ₹85.41 lakhs. Further, in respect of leases which were classified as operating leases, applying Ind AS 17, ₹0.48 lakhs has been reclassified from "Other Assets" to "Right of Use Asset". The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

	(₹ in lakhs)	
Particulars	Land	Building
Balance as on 01st April 2019	-	-
Reclassified on account of adoption of Ind AS 116	0.48	85.41
Addition	256.66	-
Deletion	-	5.59
Depreciation	67.95	19.45
Balance as on 31st March 2020	<u>189.19</u>	<u>60.37</u>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

(b) Break-up of current and non-current lease liabilities as at 31st March 2020

Particulars	(₹ in lakhs)
Current lease liabilities	74.16
Non-Current lease liabilities	174.93
Total	<u>249.09</u>

(c) Movement in lease liabilities during the year ended 31st March 2020: (₹ in lakhs)

Particulars	(₹ in lakhs)
Balance at the beginning of the year	-
Reclassification during the year	85.41
Addition during the year	256.66
Deletion during the year	(5.59)
Finance cost accrued during the year	28.78
Payment of lease liabilities	(116.17)
Balance at the end of the year	<u>249.09</u>

(d) Contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis:

Particulars	As at March 31st, 2020	As at March 31st, 2019
Less than one year	74.16	27.29
One to five years	150.75	73.52
More than five years	24.18	-
Total	<u>249.09</u>	<u>100.81</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(e) Amounts recognised in statement of profit and loss:

Particulars	(₹ in lakhs) For the year ended 31 March 2020
Depreciation Expenses on Right of use Assets	87.40
Interest expense on lease liabilities	28.78
Expense relating to short-term leases (included in other expenses)	24.89
Total Amount Recognised in Profit and Loss	<u>141.07</u>

**41 Amortisation of intangible assets**

Softwares have been amortised on estimated useful life of six years.

**42** In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of account.

(₹ in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>43 Auditor's Remunerations</b>		
Audit fee	2.50	2.50
Limited review	0.23	0.23
<b>In other capacity:</b>		
Other matters	0.24	0.18
Reimbursement of expenses	1.45	1.48
	<u>4.42</u>	<u>4.39</u>
(excluding applicable taxes)		

**44 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006**

(a) The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
i the principal amount remaining unpaid to any supplier at the end of each accounting year	<b>63.45</b>	14.04
ii the amount of interest remaining unpaid to any supplier at the end of each accounting year	<b>1.14</b>	-
iii the amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of payment made to the supplier beyond the appointed day during the period	-	-
iv the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
v the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	<b>1.14</b>	-

45 The Company has made assessment of impact of COVID-19 on the carrying amount of property, plant and equipment, Investments, Inventories, receivables and other current assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the assets. However in view of highly uncertain and continuously evolving business environment, the eventual impact of COVID-19 may be different from the estimated as at the date of approval of these financial results.

**46 Disclosure under Ind AS 115 " Revenue from Contracts with Customers "**

**A Disaggregated revenue information**

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>(i) Type of goods</b>		
Revenue from Writing and Printing Paper	<b>48,952.68</b>	52,168.02
Revenue from Soda Ash & Others	<b>5,071.51</b>	5,172.34
	<b>54,024.16</b>	57,340.36
<b>(ii) Total Revenue from Contracts with Customers</b>		
Revenue from Customers based in India	<b>51,911.30</b>	54,315.89
Revenue from Customers based outside India	<b>2,112.86</b>	3,024.47
	<b>54,024.16</b>	57,340.36

(₹ in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>(iii) Timing of Revenue Recognition</b>		
Goods transferred at a point in time	54,024.16	57,340.36
<b>B Trade receivables and Contract Customers</b>		
Trade Receivables	2,776.91	3,913.61
Trade receivables are non-interest bearing and are generally on terms of 7 days to 30 days. In 2020 ₹5.10 lakhs (Previous year ₹5.32 lakhs) was recognised as provision for expected credit losses on trade receivables.		
Trade receivables are presented net of impairment in the Balance sheet. The Company classifies the right to consideration in exchange for deliverables as a receivable. Receivable is right to consideration that is unconditional upon passage of time.		
<b>C Contract Liabilities</b>		
Contract liability relate to payment received in advance for performance under contract. Contract liabilities are recognised as revenue at the time of sale of goods. Contract Liabilities includes Non current or current advances received from customers to deliver goods.		
<b>Revenue recognised in the current reporting period to carried forward Contract liabilities:</b>		
The amount of revenue recognised during the year for the amount included in contract liability at the beginning of the year is ₹392.60 lakhs (previous year ₹99.69 lakhs)		
<b>D Reconciling the amount of revenue recognized in the statement of Profit and Loss with the Contract Price</b>		
Revenue as per Contract Price	55,069.87	58,560.83
<b>Less : Adjustments</b>		
Sale Return	63.57	2.95
Freight Collected	930.15	1,153.44
Charity Collected	51.99	64.08
Revenue recognized in the statement of Profit and Loss	<u>54,024.16</u>	<u>57,340.36</u>
<b>E Performance obligation and remaining performance obligation</b>		
The performance obligation is satisfied upon the delivery of Writing and Printing Paper and payment is generally due within 7 days to 30 days after the delivery.		
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on 31st March, 2020, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.		
<b>47 Segment Reporting</b>		
Segment Reporting based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely manufacturing of "Writing and Printing Paper". Accordingly, the disclosure requirements of IndAS 108 are not applicable.		
<b>A Information by Geographies</b>		
(a) Revenue from external customers		
India	51,911.30	54,315.89
Outside India	2,112.86	3,024.47
(b) The company has business operations only in India and does not hold any assets outside India		
<b>B Revenue from major customers</b>		
Information about Major Customers		
Number of customer contributing 10% or more to the Company's revenue	2	1
Revenue arising from sales to such customers.	30.33%	10.50%



**48 Proposed Final Dividend**

The Board of Directors had declared an interim dividend of ₹3/- per equity share amounting to ₹499.99 lakhs for the year 2019-2020 during their meeting held in February 2020. Keeping in view the situation caused due to COVID -19, the Board of Directors have not recommended any additional dividend. The Interim Dividend be treated as final dividend for F.Y 2019-20. (previous year : final dividend of ₹5 per equity share)

**49 Corporate Social Responsibility (CSR)**

As per section 135 of the Companies Act, 2013, a company meeting the applicable threshold, need to spend at least 2% of the average net profit for the immediate proceedings three financial years on CSR activities as defined in schedule-VII of the Companies Act 2013.

- (a) Gross amount required to be spent by the company during the year ₹118.26 lakhs (previous year ₹77.11 lakhs).  
 (b) Amount spent during the year ₹52.72 lakhs (previous year ₹43.59 lakhs)  
 (c) Amount remaining unspent as at the end of the year ₹65.54 lakhs (previous year ₹33.52 lakhs)  
 (d) Activity

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Promoting education	22.30	24.03
Health care	8.56	11.12
Protection of livestock (environment/flora and fauna/animal welfare)	0.63	0.60
Sports development	2.05	1.42
Community Welfare	19.18	6.42
Total	<u>52.72</u>	<u>43.59</u>

**50 Earning per share**

The calculation of Earning Per Share (EPS) as disclosed in the Statement of profit and loss has been made in accordance with Ind AS- 33 on "Earnings Per Share". The following is the reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	(Number of shares)	
	As at 31 March 2020	As at 31 March 2019
Issued equity shares	1,38,24,550	1,38,24,550
Number of Shares at the end of the year	1,38,24,550	1,38,24,550
Weighted average shares outstanding- Basic and Diluted (A)	1,38,24,550	1,38,24,550

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit and loss after tax for EPS- B (₹ in lakhs)	3,196.11	4,695.03
Basic Earnings per share (B/A) (₹)	23.12	33.96
Diluted Earnings per share (B/A) (₹)	23.12	33.96

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity, if any.

**51 Research and Development expenses**

a) Research and Development: Revenue expenses	(₹ in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw material consumption		
Less: Net sales revenue		
Salaries and wages	214.51	194.19
Depreciation	2.85	4.61
Stores and spares	17.33	24.87
Cost of utilities	-	-
Freight outward	-	-
Other expenses	0.23	0.21
	<u>234.92</u>	<u>223.88</u>

(₹ in lakhs)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>b) Research and Development: Capital expenses</b>		
Additions to Property, plant and equipments	-	15.40
<b>The revenue expenses related to research and development is clubbed under respective account heads in profit and loss.</b>		
<b>52 Disclosure pursuant to Indian Accounting Standard (Ind AS) -12 : Income Taxes</b>		
<b>(a) Income tax recognised in profit or loss</b>		
<b>Current Tax:</b>		
In respect of the Current year	1003.00	2075.00
In respect of the earlier years	-	-
	<u>1003.00</u>	<u>2075.00</u>
<b>Deferred Tax:</b>		
In respect of the Current year	(944.62)	278.36
	<u>(944.62)</u>	<u>278.36</u>
<b>Total income tax expenses recognised</b>	<u>58.38</u>	<u>2353.36</u>
<b>(b) Income Tax recognised in other comprehensive income arising on income and expenses recognised in other comprehensive income</b>		
Remeasurement of defined benefit obligation	(25.91)	(15.73)
<b>Total income tax recognised in other comprehensive income</b>	<u>(25.91)</u>	<u>(15.73)</u>
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:</b>		
Profit before Tax (i)	3254.49	7048.39
Corporate tax rate as per Income Tax Act, 1961 (ii)	25.17%	34.94%
Tax on Accounting profit (iii) = (i) * (ii)	819.09	2462.99
<b>Add/(Less) Tax difference on account of:</b>		
i Effect of Depreciation difference	25.20	(4.44)
ii Effect of expenses that are not deductible in determining taxable profit	40.18	32.14
iii Effect of expenses allowable on payment basis	(25.86)	32.70
iv Effect of amount of Deductions/Exemption/Non Taxable items	(0.35)	(5.24)
v Effect of indexation benefit on value of investment and PPE	(72.02)	(95.39)
vi Differential tax rate on capital gain on sale and fair valuation on investment	163.42	68.25
vii Effect of change in tax rate	(894.38)	-
viii Others	3.10	(1.15)
<b>Total effect of tax adjustments</b>	<u>(760.71)</u>	<u>(109.63)</u>
<b>Tax expense recognised during the year</b>	<u>58.38</u>	<u>2353.36</u>
Current Tax	1,003.00	2,075.00
Tax of earlier years	-	-
Deferred Tax	(944.62)	278.36
<b>Total tax provided</b>	<u>58.38</u>	<u>2353.36</u>

## d) Movement in Deferred tax balances (₹ in lakhs)

Particulars	For the year ended 31 March 2019			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets/liabilities</b>				
Property, Plant and Equipment	3163.31	224.95		3388.26
Employee Benefits		15.73	(15.73)	
Fair value of Investments through Profit and loss	210.53	(73.41)		137.12
Expenditure deductible on payment basis	(302.42)	111.09		(191.33)
<b>Net Tax Liabilities/(asset)</b>	<b>3071.42</b>	<b>278.36</b>	<b>(15.73)</b>	<b>3334.05</b>

Particulars	For the year ended 31 March 2020			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets/liabilities</b>				
Property, Plant and Equipment	3388.26	(868.92)		2519.33
Employee Benefits	-	25.91	(25.91)	-
Fair value of Investments through Profit and loss	137.12	(137.12)	-	-
Expenditure deductible on payment basis	(191.33)	35.51	-	(155.82)
<b>Net Tax Liabilities/(asset)</b>	<b>3334.05</b>	<b>(944.62)</b>	<b>(25.91)</b>	<b>2363.51</b>

Note: The deferred tax asset amounting ₹136.83 lakhs in respect of loss on fair valuation of investments has not been provided in the absence of evidence that future taxable profits will be available against which such losses can be utilised.

## 53 Reconciliation of changes in liabilities arising from financing activities including both changes arising from cash flow and non-cash changes as per the requirement of Ind AS-7 'Statement of Cash Flows'

Particulars	(₹ in lakhs)			
	Year ended 31st March 2020		Year ended 31st March 2019	
	Current Borrowings	Non-Current Borrowings (incl. Current maturities)	Current Borrowings	Non-Current Borrowings (incl. Current maturities)
<b>Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement</b>	<b>1,299.99</b>	<b>1,857.42</b>	<b>1,700.11</b>	<b>2,919.24</b>
<b>Changes during the year</b>				
a) Changes from financing cash flow (Net)	848.67	1,592.00	(400.12)	(1,064.62)
b) Changes arising from obtaining or losing control of Subsidiaries or other business	-	-	-	-
c) the effect of changes in foreign exchange rates-(Gain)/Loss	-	-	-	-
d) Changes in fair Value	-	-	-	-
e) Other changes	-	2.44	-	2.80
<b>Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement</b>	<b>2,148.66</b>	<b>3,451.86</b>	<b>1,299.99</b>	<b>1,857.42</b>

**54 Related party disclosures:**

In accordance with the requirements of Ind AS 24, on "Related party disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

**Related party and their relationship:-****A. Key Management Personnel:**

i	Whole time directors	Sh. Rajneesh Oswal	Chairman & Managing Director
		Sh. Vishal Oswal	Vice Chairman & Managing Director
		Sh. Kunal Oswal	Whole Time Director
		Sh. Anil Kumar	Executive Director
ii	Non executive directors	Sh. Ajay Kumar Chakraborty	Independent Director
		Sh. Madan Lal Gupta (till 13.05.2019)	Independent Director
		Dr. Nandagiri Jagannatha Rao (till 15.07.2019)	Independent Director
		Dr. Prem Kumar w.e.f. 13.05.2019	Independent Director
		Sh. Ramesh Chander Juneja w.e.f. 13.11.2019	Independent Director
		Dr. Pratibha Goyal	Independent Director
iii	Chief Financial Officer	Mr. Rakesh Kumar Mahajan	
iv	Company Secretary	Ms Ruchita Vij	

**B. Related parties****i. Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:**

Achin Investment & Mercantile Company	Adeep Investment Company
Fountain Tie up Pvt. Ltd.	Levina Investment & Mercantile Company
Lime Lite Consultants Private Limited	Noble Share Trading Private Limited
OASIS Share Trading Private Limited	Ojasvi Investment & Mercantile Company
Punctual Dealers (P) Limited	Shreyans Financial and Capital Services Limited
Shri Darshan Kumar Oswal Public Charitable Trust	Shri Paras Nath Charitable Trust
Sulzer Investment Private Limited	Virat Investment & Mercantile Company
Jagvallabh Parasnath Capital Investments Private Limited	Adinath Textiles Limited
	Sidharth Sales Corporation

**ii. Relative of Key Management Personnel:**

Mrs. N.K. Oswal, Manager	Mrs. Preeti Oswal, Manager
Mrs. Shikha Oswal, Manager	Mrs. Neera
Ms. Arshia Oswal, Officer	Ms. Swati
Ms Namita	

**C. Employee benefit trust:**

iii. Group Gratuity Trust Fund managed by employees of the company	SIL- Group Gratuity Trust Fund (Unit Shreyans Paper)
	SIL- Group Gratuity Trust Fund (Unit Shree Rishabh Paper)

**D. Details of transactions entered into with related parties during the year as required by Ind AS 24 on "Related Party Disclosures" of Companies (Indian Accounting Standards) Rules 2015.**

Sr. No	Particulars	Enterprises over which KMP is able to exercise significant influence or control		Key Management Personnel (KMP)		Post employment Benefit plans	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	***Contractual remuneration	-	-	1,099.87	910.12	-	-
1a	***Contractual remuneration outstanding as on last day of financial year	-	-	39.26	40.11	-	-
2	Sitting fee	-	-	2.75	2.55	-	-
3	Interest Paid	18.69	18.52	-	-	-	-
4	Contribution to CSR Expenditure	10.50	9.00	-	-	-	-
4 a	Fixed Deposits taken (including opening balance)	-	-	-	-	-	-
4 b	Fixed Deposits repaid	-	-	-	-	-	-
4 c	Closing Balance of Fixed Deposits	-	-	-	-	-	-
5 a	Loan taken (including opening balance)	775.16	423.16	13.00	249.87	-	-
5 b	Loans repaid	452.00	-	-	236.87	-	-
5 c	Closing Balance of Loans	323.16	423.16	13.00	13.00	-	-
6	Receipt against services rendered	3.00	12.00	-	-	-	-
7	Contribution to trust towards Post Employment benefit	-	-	-	-	-	-
						191.66	472.16

Sr. No	Particulars	Relatives of KMP		Total	
		Current Year	Previous Year	Current Year	Previous Year
1	***Contractual remuneration	21.68	21.00	1,121.55	931.12
1a	***Contractual remuneration outstanding as on last day of financial year	1.58	1.40	40.84	41.51
2	Sitting fee			2.75	2.55
3	Interest Paid	15.85	14.29	34.54	32.81
4	Contribution to CSR Expenditure			10.50	9.00
4 a	Fixed Deposits taken (including opening balance)	143.20	139.70	143.20	139.70
4 b	Fixed Deposits repaid			-	-
4 c	Closing Balance of Fixed Deposits	143.20	139.70	143.20	139.70
5 a	Loan taken (including opening balance)	-	-	788.16	673.03
5 b	Loans repaid	-	-	452.00	236.87
5 c	Closing Balance of Loans	-	-	336.16	436.16
6	Receipt against services rendered	-	-	3.00	12.00
7	Contribution to trust towards Post Employment benefit	-	-	191.66	472.16

\*\*\* As the liabilities for gratuity, compensated absences are provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel has not been included.  
Mr. Rajneesh Oswal, Mr. Vishal Oswal and Mr. Kunal Oswal are related to each other.  
The related party relationship is as identified by the Company and relied upon by the auditors.

## 55 Financial instruments and Risk management

### i Capital management

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure.

The Company's management reviews its capital structure considering the cost of capital, the risks associated with each class of capital and the need to maintain adequate liquidity to meet its financial obligations when they become due. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Accordingly the management and the Board of Directors periodically review and set prudent limit on overall borrowing limits of the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio is as follows:

Particulars	(₹ in lakhs)	
	for the year ended 31 <sup>st</sup> March 2020	for the year ended 31 <sup>st</sup> March 2019
Borrowings and interest accrued	5752.18	3251.03
Less: Cash and cash equivalents	18.03	16.48
Net debt (A)	5734.15	3234.55
Total equity	21608.32	19822.57
Capital and Net debt (B)	27342.47	23057.12
Gearing ratio (A/B)	20.97%	14.03%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31<sup>st</sup> March 2020.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.

**ii Categories of financial instruments**

The Carrying value and fair value of financial instruments by categories are as follows

**As at 31st March 2020****(₹ in lakhs)**

Particulars	At Cost	At Amortised Cost	Financial Assets/liabilities		Total carrying value	Total fair value
			At fair value through profit or loss (mandatory)	At fair value through Other comprehensive income (mandatory)		
<b>Financial Assets:</b>						
Investments (Non Current) (Refer Note 4)	-		75.86		75.86	75.86
Loans (Non Current) (Refer Note 5)		5.61			5.61	5.61
Other financial non-current assets (Refer Note 6)		61.75			61.75	61.75
Investments (Current) (Refer Note 9)		-	7142.21		7142.21	7142.21
Trade receivables (Refer Note 10)		2776.91			2776.91	2776.91
Cash and Cash Equivalents (Refer Note 11)		18.03			18.03	18.03
Other Bank Balances (Refer Note 12)		446.53			446.53	446.53
Loans (Current) (Refer Note 13)		244.66			244.66	244.66
Other financial assets (Current) (Refer Note 14)		222.46			222.46	222.46
<b>Total</b>	<b>-</b>	<b>3775.95</b>	<b>7218.07</b>	<b>-</b>	<b>10994.02</b>	<b>10994.02</b>
<b>Financial Liabilities:</b>						
Borrowings (Non Current) (Refer Note 19)		2918.96			2918.96	2918.96
Other financial liabilities (Non Current) (Refer Note 20)		184.72			184.72	184.72
Borrowings (Current) (Refer Note 24)		2148.66			2148.66	2148.66
Trade Payables (Refer Note 25)		4736.21			4736.21	4736.21
Other financial liabilities (Current) (Refer Note 26)		3126.52	13.73		3140.25	3140.25
<b>Total</b>	<b>-</b>	<b>13115.07</b>	<b>13.73</b>	<b>-</b>	<b>13128.80</b>	<b>13128.80</b>
<b>As at 31st March 2019</b>						
<b>Financial Assets:</b>						
Investments (Non Current) (Refer Note 4)	-		85.73		85.73	85.73
Loans (Non Current) (Refer Note 5)		3.07			3.07	3.07
Other financial non-current assets (Refer Note 6)		106.95			106.95	106.95
Investments (Current) (Refer Note 9)		-	6628.05		6628.05	6628.05
Trade receivables (Refer Note 10)		3913.61			3913.61	3913.61
Cash and Cash Equivalents (Refer Note 11)		16.48			16.48	16.48
Other Bank Balances (Refer Note 12)		319.35			319.35	319.35
Loans (Current) (Refer Note 13)		37.79			37.79	37.79
Other financial assets (Current) (Refer Note 14)		181.19			181.19	181.19
<b>Total</b>	<b>-</b>	<b>4578.44</b>	<b>6713.78</b>	<b>-</b>	<b>11292.22</b>	<b>11292.22</b>
<b>Financial Liabilities:</b>						
Borrowings (Non Current) (Refer Note 19)		1440.99			1440.99	1440.99
Other financial liabilities (Non Current) (Refer Note 20)		9.79			9.79	9.79
Borrowings (Current) (Refer Note 24)		1299.99			1299.99	1299.99
Trade Payables (Refer Note 25)		4457.06			4457.06	4457.06
Other financial liabilities (Current) (Refer Note 26)		2575.35	0.72		2576.07	2576.07
<b>Total</b>	<b>-</b>	<b>9783.18</b>	<b>0.72</b>	<b>-</b>	<b>9783.90</b>	<b>9783.90</b>

**iii. Financial risk management**

The principal financial assets of the Company include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:-

**(A) Market risk management**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk.

**a.1 Foreign currency risk management**

The Company is exposed to foreign currency risk arising mainly on import (of raw materials and capital items) and export (of finished goods). The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognised assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The Company uses foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyses the foreign currency risk from monetary assets and liabilities:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Euro	USD	Euro	USD
<b>Exposure on account of financial Assets</b>				
Trade Receivable/ export orders (A)	-	3,50,000	-	-
Amount Hedged through forwards (B)	-	3,50,000	-	-
Net Exposure to Foreign Currency Assets (C=A-B)	-	-	-	-
<b>Exposure on Account of Financial Liabilities</b>				
Trade Payble and Borrowings (D)	-	1,006,657	8,400	10,02,920
Amount Hedged through forwards (E)	-	-	-	1,00,000
Net Exposure to Foreign Currency Liabilities (F=D-E)	-	1,006,657	8,400	9,02,920
<b>Net Exposure to Foreign Currency Assets/ (Liabilities) (C- F)</b>	-	(1,006,657)	(8,400)	(9,02,920)

The following significant exchange rates applied during the year

Currency	2019-20	2018-19	2019-20	2018-19
	Year end rates		Average Exchange rates	
INR/USD	75.37	69.16	71.09	69.92
INR/EURO	83.08	77.70	79.05	80.94

**a.2 Foreign currency sensitivity analysis**

Any changes in the exchange rate of EURO and USD against INR is not expected to have significant impact on the Company's profit due to the less exposure of these currencies. Accordingly, a 5% appreciation/depreciation of the INR as indicated below, against the EURO and USD would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The impact on the Company's profit before tax due to change in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD/EURO exchange rates (with all other variables held constant).

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
5% Strengthening/ weakening of USD against INR	48.22	31.57
5% Strengthening/ weakening of EURO against INR	-	0.34

**b) Interest rate risk management**

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates."

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>Variable rate instruments</b>		
Long term borrowings	2491.78	992.19
Current maturities of long term debt	330.61	300.00
Short term borrowings	1717.52	641.08

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
Increase/ decrease in 100 basis point	48.31	19.33

**c) Other Price Risk****i) Equity investments**

"The company is exposed to price risk arising from equity investments. The company does not actively trade equity investments. Equity investments are mainly held for strategic rather than trading purposes. Protection principle is given high priority by limiting company's investments top rated money market instruments only."

Equity price risk is related to change in market reference price of investments in equity shares held by the Company. The fair value of quoted investments held by the Company exposes it to equity price risks.

**ii) Mutual fund investments**

"The Company manages the surplus funds majorly through investments in debt based and equity mutual fund schemes. The price of investment in these mutual fund Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investment schemes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks."

**c.1 Equity price sensitivity analysis**

The Company's exposure in Equity Investments is not material.

**c.2 Mutual fund price sensitivity analysis**

The sensitivity analysis below has been determined based on Mutual Fund Investment at the end of the reporting period. If NAV had been 1% higher/lower, the profit for year ended 31st March, 2020 would have increased/decreased by ₹ +/- 78.16 Lakhs (previous year: increase/decrease by ₹61.18 lakhs) as a result of the changes in fair value of mutual funds.

**(B) Credit risk management**

Credit risk arises from the possibility that a counter party's inability to settle its obligations as agreed in full and in time. The maximum exposure to credit risk in respect of Trade receivables and other financial assets is as under:-

**a. Trade Receivables**

The Company's trade receivables consists of a large and diverse base customers including State owned Enterprises. Hence the Company is not exposed to concentration and credit risk. The company also assesses the creditworthiness of the customers internally



to whom goods are sold on credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

In determining the allowances for expected credit losses of trade receivables, the company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. In addition to this Company provides for credit loss based on increase in credit risk on case to case basis.

The following is the detail of allowance for lifetime expected credit loss and revenues generated from top five customers of the company.

i) Reconciliation of allowance for lifetime expected credit loss			(₹ in lakhs)
Particulars	As at 31st March 2020	As at 31st March 2019	
As at beginning of the year	11.66	13.23	
Allowance for doubtful receivables based on Expected Credit Loss (ECL)	5.10	5.32	
Transfer to the statement of Profit and Loss	0.23	6.89	
Balance at end of the year	16.53	11.66	
ii) Revenue generated from top five customers.			
- Amount of Sales	22183.35	18622.75	
- % of total sales of paper	45.32	35.70	

#### Trade Receivables

Out of the Trade receivables, ₹1855.61 lakhs as at 31st March 2020 (₹2210.80 lakhs as at 31st March 2019) is due from the Company's major customers i.e. having more than 5% of total outstanding trade receivables. There are no other customers who represent more than 5% of the total balance of trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

			(₹ in lakhs)
Ageing of trade receivables (Gross)	As at 31st March 2020	As at 31st March 2019	
Not Due	1592.39	2703.28	
0 - 6 months past due	982.23	927.93	
More than 6 months past due	218.82	294.06	
Total Trade receivables	2793.44	3925.27	

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 10.

#### b. Other Financial Assets

The Company maintains exposure in cash and cash equivalents, time deposits with banks, investments in debt mutual funds. Investment of surplus funds are made only with approved counter parties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

#### Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

#### (C) Liquidity risk management

The objective of liquidity risk management is to maintain sufficient liquidity to meet financial obligations of the Company as they become due. The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company has access to various fund / non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments as at 31st March, 2020 ₹2996.96 lakhs (as at 31st March, 2019 ₹2238.92 lakhs).

#### Liquidity risk table

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period along with contractual maturity of Financial assets:

Particulars	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>FINANCIAL LIABILITIES</b>		
<b>Borrowings</b>		
0-1 years	2148.66	1299.99
2-3 years	2012.17	1050.99
3-5 years	906.79	390.00
More than 5 years	-	0.00
<b>Trade Payables</b>		
0-1 years	4736.21	4457.06
2-3 years	-	-
3-5 years	-	-
More than 5 years	-	-
<b>Other Financial Liabilities</b>		
0-1 years	3140.25	2576.07
2-3 years	116.34	-
3-5 years	44.20	9.79
More than 5 years	24.18	-
<b>FINANCIAL ASSETS</b>		
<b>Investments</b>		
0-1 years	7142.21	6628.05
2-3 years	-	-
3-5 years	-	-
More than 5 years	75.86	85.73
<b>Trade Receivables</b>		
0-1 years	2776.91	3913.61
2-3 years	-	-
3-5 years	-	-
More than 5 years	-	-
<b>Cash and Cash Equivalents</b>		
0-1 years	18.03	16.48
2-3 years	-	-
3-5 years	-	-
More than 5 years	-	-
<b>Bank Balances</b>		
0-1 years	446.53	319.35
2-3 years	-	-
3-5 years	-	-
More than 5 years	-	-
<b>Loans</b>		
0-1 years	244.66	37.79
2-3 years	5.61	3.07
3-5 years	-	-
More than 5 years	-	-
<b>Other financial assets</b>		
0-1 years	222.46	181.19
2-3 years	61.75	106.95
3-5 years	-	-
More than 5 years	-	-

**iv Fair Value Measurement****(i) Fair Value hierarchy**

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

Particulars	Fair Value as at (₹ in lakhs)		Fair value hierarchy
	31st March 2020	31st March 2019	
<b>Current Investments</b>			
Fair Value through OCI (Equity instruments designated upon initial recognition)	-	-	-
Fair Value through Profit and Loss	7142.21	6628.05	Level 2
<b>Non-Current Investments</b>			
Fair Value through Profit and Loss	23.70	34.97	Level 1
Fair Value through Profit and Loss	52.16	50.76	Level 3
<b>Other financial current liabilities</b>			
- Derivative financial instruments	(13.73)	(0.72)	Level 2

There were no transfers between Level 1 and 2 in the period. Sensitivity of Level 3 financial instruments are insignificant.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

**Investments in mutual funds:** Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

**Derivative contracts:** The Company has entered into foreign currency contract(s) to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorized Dealers Banks.

**Quoted equity investments:** Fair value is derived from quoted market prices in active markets.

**Unquoted equity investments:** Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

#### Reconciliation of Level 3 fair value measurements

(₹ in lakhs)

Particulars	Unlisted equity instruments
As at April 1, 2018	49.27
Purchases	-
Gain/ (loss) recognised in statement of Profit/Loss	1.49
As at March 31, 2019	50.76
Purchases	-
Gain/ (loss) recognised in statement of Profit/Loss	1.40
As at March 31, 2020	52.16

56 Figures in bracket indicate deductions.

57 Previous year figures have been regrouped/recasted/rearranged wherever necessary to confirm to its classification of the current year.

As per our report of even date attached  
For K.C. KHANNA & CO  
Chartered Accountants  
(Firm Regn. No. 000481N)

For and on behalf of the Board of Directors

(ABHISHEK GOEL)  
Partner  
M.No. 521575

(R.K. MAHAJAN)  
C F O

(RUCHITA VIJ)  
Company Secretary

(ANIL KUMAR)  
Executive  
Director & CEO  
DIN 00009928

(VISHAL OSWAL)  
Vice Chairman &  
Managing Director  
DIN 00002678

(RAJNEESH OSWAL)  
Chairman &  
Managing Director  
DIN 00002668

PLACE : Ludhiana  
DATE : June 29, 2020