

41st **ANNUAL REPORT**

2020 - 2021



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) |
| MS. HARBHAJAN KAUR BAL, INDEPENDENT DIRECTOR | (DIN 00008576) |
| DR. PREM KUMAR, INDEPENDENT DIRECTOR | (DIN 00051349) |
| MR. RAMESH CHANDER JUNEJA, INDEPENDENT DIRECTOR | (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 41st Annual General Meeting of the members of the Company will be held on Tuesday, the 31st August, 2021 at 11.00 a.m. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123 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, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend, if any, for the Financial Year 2020-21.
3. To appoint a director in place of Mr. Vishal Oswal (DIN: 00002678), 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 Rs. 60,000/- (Rupees Sixty Thousand only) plus goods and service tax as applicable and reimbursement of out of pocket expenses, if any, for the financial year ending 31st March, 2022 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

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 : May 11, 2021

Place : Ludhiana

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Members/proxies are requested to bring their copy of Annual Report to the Meeting and bring in duly filled attendance slips enclosed herewith to attend the meeting. Shareholders/ Proxy holders are requested to produce at the entrance, duly filled and signed attendance slips for admission to the Meeting Hall. Corporate members are required to send a certified copy of the Board Resolution to the Company, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
4. 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.
5. The Register of Members and Share Transfer books of the Company shall remain closed from 25th August, 2021 to 31st August, 2021 (both days inclusive), for the purpose of Annual General Meeting of the Company and payment of dividend, if any, for both physical and electronic segments.
6. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose name appear on the Register of Members as on 24th August, 2021.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company, so as to reach the registered office of the Company at least 10 days before the date of the meeting so that information required may be made available at the time of the Meeting.
8. Copies of the Annual Report are being sent by electronic mode only to those members whose email addresses are registered with the company/depository participants(s) for communication purposes unless any members has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2021 are being sent by the permitted mode.

9. The members are requested to:
1. Quote their folio number/Client ID & DP-ID in all correspondence with the company.
 2. Notify immediately to the company any change in their address/mandate, if any.
 3. Register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.
10. Shares of the Company are available for De-Materialization under **ISIN-INE231C01019**. Members who have not opted for De-Materialization are requested to do so in their own interest.
11. Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non-members and children.
12. A remote e-voting facility for the members shall also be provided in terms of Section 108 of the Companies Act, 2013 and rules made there under and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise the right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
13. M/s P.S. Bathla & Associates, Company Secretaries in practice, Ludhiana, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms). The Scrutinizer shall within a period of 48 hours from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
14. The Results shall be declared within 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.shreyansgroup.com and on the website of CDSL and communicated to the Stock Exchanges.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:

- (i) The voting period begins on 27th August 2021 (09.00 A.M.) and ends on 30th August 2021 (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 24th August 2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed

entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

- (iv) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of Shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with CSDL | <p>1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/</p> |

| Type of Shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CSDL | <p>NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders holding securities in Demat mode with NSDL | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once</p> |

| Type of Shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with NSDL | <p>the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

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

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

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

(i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.

- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (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. <ul style="list-style-type: none"> • 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. |

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) 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.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the **EVSN (210729004)** for **<Shreyans Industries Limited>** on which you choose to vote.
- (vi) 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.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
 - 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 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. 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.
2. For Demat shareholders: please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders: Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

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

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 9th November 2020, 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 41st Annual General Meeting of the Company i.e. up to 31st August 2021.

The Board of Directors at their meeting held on 11th May 2021 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 or 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 11th May 2021 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 2021-22 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.

ANNEXURE TO ITEM NOS. 3 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 | Vishal Oswal |
| DIN | 00002678 |
| Date of Birth | 02.09.1972 |
| Date of Appointment on the Board | 31.07.1999 |
| Expertise in specific functional areas | Management & Administration |
| Qualifications | Commerce Graduate |
| Directorship of other public limited companies | Adinath Textiles Limited |
| Memberships of Committees of other public limited companies (mandatory committees only) | NIL |
| Disclosure of relationship between directors inter-se | Mr. Vishal Oswal is brother of Mr. Rajneesh Oswal and Mr. Kunal Oswal. |
| No. of shares held in the Company | NIL |

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

Dated : May 11, 2021
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

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, 30% dividend proposed to be declared in the 41st 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.skylineinerta.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. 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.

DIVIDEND & TDS RELATED INFORMATION

Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 1, 2020, the Company would be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Final Dividend will be paid after deducting the tax at source as follows:

Resident Shareholder:

| Particulars | Applicable Rate | Documents required (if any) |
|--|----------------------------|---|
| With PAN | 10%* | Update/Verify the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents- Skyline Financial Services Private Limited (in case of shares held in physical mode). |
| Without PAN/ Invalid PAN | 20% | --- |
| Submitting Form 15G/ Form 15H | NIL | Declaration in Form No. 15G (applicable to any person other than a company or a firm) /Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. The Forms are attached herewith. |
| Submitting Order under Section 197 of the Income Tax Act, 1961 (Act) | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from tax authority. |
| An Insurance Company as specified under Sec 194 of the Income Tax Act, 1961) | NIL | Self-declaration that it has full beneficial interest with respect to the shares owned by it along with Self attested PAN. |
| Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961 | NIL | Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate. |

* Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY 2021-22 does not exceed Rs. 5,000.

Non-Resident Shareholder:

| Particulars | Applicable Rate | Documents required (if any) |
|---|--|---|
| Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) | 20% (plus applicable surcharge and cess) | None |
| Other Non-resident shareholders | 20% (plus applicable surcharge and cess) OR Tax Treaty Rate** (whichever is lower) | Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents- Skyline Financial Services Private Limited (in case of shares held in physical mode). In order to apply the Tax Treaty rate, ALL the following documents would be required: 1) Copy of Indian Tax Identification number (PAN). 2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident. 3) Form 10F duly filled and signed (Format attached herewith). 4) Self-declaration from Non-resident, primarily covering the following: - Non-resident is eligible to claim the benefit of respective tax treaty - Non-resident receiving the dividend income is the beneficial owner of such income - Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India. (Format attached herewith). |
| Submitting Order u/s 197 (i.e. lower or NIL withholding tax certificate) | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from tax authority. |

** The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company.

The aforesaid documents (formats as updated on Company website/available with RTA), as applicable, should be provided to the Company or RTA i.e. Skyline Financial Services Private Limited on their Mail-ID i.e. cs@shreyansgroup.com or atl@shreyansgroup.com and/or admin@skylinerta.com on or before 24th August 2021 to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/deduction received post 24th August 2021 shall be considered for payment of the Final Dividend. It is advisable to provide the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

No claim shall lie against the Company for such taxes deducted.

The Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 41st Annual Report on the operational and financial performance of the Company along with Audited Financial Statements for the year ended 31st March 2021.

| Financial Performance | (₹ in lakhs) | |
|---|------------------|-----------|
| PARTICULARS | 2020-21 | 2019-20 |
| Revenue from operations | 36,643.29 | 54,030.92 |
| Other Income | 2,052.94 | 602.40 |
| Total | 38,696.23 | 54,633.32 |
| Profit before Interest & Financial Charges, Depreciation, Exceptional Items and Tax | 2,596.74 | 4,768.07 |
| Less: Interest & Financial Expenses | 546.43 | 460.54 |
| Less: depreciation | 1,108.21 | 1,053.04 |
| Profit before Tax | 942.10 | 3,254.49 |
| Less: Provision for taxation | 64.47 | 58.38 |
| Profit after taxation | 877.63 | 3,196.11 |
| Other comprehensive income/ (loss) [net of tax] | 132.55 | (77.05) |
| Total Comprehensive Income | 1,010.18 | 3,119.06 |

CORPORATE REVIEW

During the year under review, your Company has achieved a production of 73,758 MTs as against 88,307 MTs in the previous year. Total revenue of the Company was ₹386.96 crores against ₹546.33 crores of last year; Profit before interest & financial charges and depreciation stood at ₹35.97 crores. Net profit after tax stood at ₹8.77 crores against ₹31.96 crores of last year.

The global outbreak of COVID-19 and the consequent nationwide lockdown imposed by the Central/State Government from 25th March 2020, followed by multiple extensions in lockdown/restrictions had a major impact on the "Writing and Printing Paper" industry. We had to shut operations during the month of April 2020 in compliance with the directions issued by Central and State Government. The unfavorable market conditions along with highly volatile prices affected our operations and revenues during the year. Furthermore due to closure of all educational institutions during this period, the demand of Writing and Printing Paper and consequently revenues of the Company plummeted. There was a steep decline in scale of operations during the first two quarters of FY 2020-21. However, the Company during the COVID period had introduced various measures/steps in its attempt to partially offset the adverse financial impact arising out of these difficult times. These included optimization of various operational parameters resulting in saving of input costs and better operating parameters. Wholtime Directors of the Company took a significant cut in their remunerations. Marginal salary cuts were

also accepted by middle and senior management. All these cuts have been restored in the current financial year.

One salient feature of the operations of the Company during these difficult times was maintenance of sufficient liquidity in the system which stood us in good stead. Despite interruption in cash flow due to abnormal market conditions, Company was able to continue its investments in the necessary capital expenditure during the year which will result in improved working in coming years.

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 42,784 MTs, which was lower as compared to last year level of 51,088 MTs due to reasons explained earlier. Capital expenditure planned during the current year includes commissioning of separate digester for woodchips to improve the quality of pulp and paper. New and more efficient Bleach Stage Washers were installed resulting improvements in terms of pulp consistency, increase in brightness, cost effectiveness and better environmental performance. A higher capacity captive power generation plant is also being commissioned to meet the entire requirements of electrical power at a much lower cost as compared to grid tariff. Besides above, capital expenditure towards balancing facilities and essential sustenance capital projects is undertaken on year to year basis.

SHREE RISHABH PAPERS

Total paper production in this unit was 30,974 MTs which was lower as compared to last year's production of 37,219 MTs due to reasons explained earlier. During the year a new Oxygen Delignification stage in the pulp mill was commissioned which resulted reduction in consumption of bleaching chemicals. Further, heated calenders to improve the surface properties of paper, Steam and Condensate system for process improvement and overall energy efficiency and additional Fluidized Bed Reactor for Chemical Recovery to meet the enhanced requirement of plant were also commissioned during the year.

FINANCIAL REVIEW**EQUITY SHARE CAPITAL**

The paid up Equity Share Capital as on 31st March 2021 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 ₹3.47 crores, out of existing term loan of ₹29.19 crores were repaid during the year. Fresh term loan for ₹7.13

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 | 56.05 | 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.

PROPOSED DIVIDEND

During the year, the Company proposed dividend of ₹3/- per share, subject to Shareholders' approval in the ensuing Annual General Meeting. The Dividend so declared shall be taxable in the hands of members and the Company shall therefore be required to deduct Tax at Source [TDS] at the time of dividend payment as per the Income Tax Act, 1961, as amended by the Finance Act, 2020.

During the Financial Year 2020-21, unclaimed/unpaid dividend declared for Financial Year 2012-13 amounting to ₹5.26 lacs and corresponding 347,141 equity shares (whose dividend is unpaid/unclaimed for seven consecutive years) have been transferred to the Investor Education and Protection Fund [IEPF].

The unclaimed/unpaid dividend for Financial Year 2013-14 and corresponding shares whose dividend is unpaid/unclaimed for seven consecutive years/more to be transferred to the IEPF by 12th October 2021.

DEPOSITS

(₹ in Crores)

| PARTICULARS | From Public | From Directors |
|---|-------------|----------------|
| (a) accepted & renewed during the year; | 2.24 | --- |
| (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- | | |

(₹ in Crores)

| PARTICULARS | From Public | From Directors |
|--|-------------|----------------|
| (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 ₹5.93 crores. There were no overdue deposits as on 31st March 2021.

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 along with cost effectiveness.

Due to the Covid-19 pandemic since March 2020, the operations of the company have been disrupted. Both inward and outward supply chains have been affected, and are yet to recover fully. There has also been a severe demand compression due to the lockdown, closing down of educational institutions, commercial establishments and downstream printers, publishers, converters, stationery services. The growing cost of raw materials and significant cost increase of fuels and other inputs, coupled with lower prices for Writing and Printing Paper made it quite challenging for the company in terms of operations and revenues.

As discussed above, the year under review was marred by frequent closures due to lockdown and lack of demand from the market. However, in the 4th quarter, some pick-up in demand along with firming up of paper prices was seen in anticipation of a normal education session starting for the year 2021-22.

Unfortunately the conditions changed adversely from the month of March/April 2021 with onset of second wave of COVID-19 pandemic resulting in shut down of many sectors of Indian economy. Educational institutions still remain closed and demand of Writing and Printing Paper remains very subdued with significant fall in the prices of these varieties of paper. This has been further compounded by increase in prices of various inputs including fuel cost, resulting in further tightening of margins. However, with continued reduction in COVID-19 infections coupled with increase in pace of vaccination, your Board is hopeful that educational institutions should start opening up by 2nd or 3rd quarter of the current financial year. Education sector still remain a high priority area and is the biggest driver for demand of Writing and Printing Paper. Your Board is hopeful that current financial year will result in much better operational results of the Company barring unforeseen circumstances.

NUMBER OF MEETINGS HELD

The details of Board and Committee/other meetings held in Financial Year 2020-21 are given in the Corporate Governance Report.

DIRECTORS/ KEY MANAGERIAL PERSONNEL

Mr. Vishal 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.

During the year under review, Mr. A.K. Chakraborty (DIN 00133604) Independent Director of the Company ceased as an Independent Director as he completed two consecutive terms i.e. Term one 13th August 2014 to 12th August 2019 and Term two 13th August 2019 to 12th August 2020.

Mr. Rajneesh Oswal (DIN 00002668), Chairman and Managing Director, Mr. Vishal Oswal (DIN 00002678), Vice-Chairman & Managing Director, Mr. Kunal Oswal (DIN 00004184), Whole Time Director, Mr. Anil Kumar (DIN 00009928), ED & CEO, Mr. Ramesh Chander Juneja (DIN 07804729), Independent Director of the Company, sought their reappointments/appointments at 40th Annual General Meeting of the Company held on 30th September 2020 and the necessary approvals of the Shareholders of the Company were granted.

Based on recommendation of the Nomination and Remuneration Committee of the Company, the Board in its meeting held 9th November 2020, has considered and recommended the appointment of Ms. Harbhajan Kaur Bal (DIN 00008576) as an Independent Director (Non-Executive Independent) and the said appointment for a term upto Five (5) years with effect from 9th November, 2020 to 8th November, 2025, is been approved by the Shareholders of the Company by way of passing of special resolution through postal ballot.

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 was no change in the 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. 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 2020-21 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 2021-22.

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 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit Report for Financial Year 2020-21 is appended as an **Annexure II** to the Board's Report.

The Secretarial Auditors' in their report and in Annual Secretarial Compliance Report (Under Regulation 24A of SEBI LODR Regulations, 2015) for year ended 31st March 2021, marked observation for deviation for Regulation 17(1) of SEBI (LODR) Regulations, 2015 related to the causal vacancy arisen on account of untimely and sudden demise of Dr. N. J. Rao, Independent Director on 15th July 2019 and causing delay of 29 days.

The Board Members, due to sudden death of Independent Director, made an extensive search to finalise a suitable person as an Independent Director. This was completed on 13th November 2019 (in very next Board Meeting after causal vacancy after death of director). The NSE & BSE each had levied fine of Rs. 145,000 (plus 18% GST), on which the Company also filed waiver application with both exchanges. The NSE vide letter dated 22nd June 2020 did not approved the waiver application and thereafter, the Company paid the fine amount on 7th July 2020. The BSE has not intimated its decision on the subject yet, till the date of the Director's Report 2021.

The Board has re-appointed M/s P.S. Bathla & Associates, Practising Company Secretaries, Ludhiana as Secretarial

Auditor of the Company for Financial Year 2021-22.

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

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 2021 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 31st March, 2021 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, 2021.

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 Practicing 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

The Company is supporting a local NGO for running a Charitable Eye Hospital, wherein significant financial help is provided by the Company. During the year under review substantial amounts were also paid to this NGO to set up additional capacity, including construction of a General Ward as an extension of the Hospital Building. During COVID-19 Pandemic also, Hospital continued to operate to provide quality eye care to the needy persons.

Viewing the Pandemic's effect on the country's health care sectors, in an attempt to help poor patients, the Company had contributed substantially towards the Government's efforts to combat Covid-19 challenges.

Shreyans values the importance of education and the education system. Therefore, the company in its effort to promote and enhance the same had taken up initiatives like distributing free of cost books & notebooks, sponsoring education for girl child etc. The company as part of its CSR projects had also taken up a few local schools which required construction of halls/rooms and construction of building for a dispensary in near by area.

The Company in its bid to support the surrounding areas provides firefighting services, as and when need arises, through its own fire tender and firefighting staff. Also, safety signs are put up by the company at various accident-prone areas.

Based on recommendation of CSR Committee, the Board of Directors of the Company has reviewed and adopted an amended CSR Policy at its Board Meeting held on 11th February 2021 which is line with amended provisions by MCA notification dated 22nd January 2021 and also incorporated changes in constitution of committee into CSR policy of the Company. The said policy may be referred to, at the Company's website at http://shreyansgroup.com/upload/c1623665216_CSR_POLICY_Amended_11_05_2021.pdf.

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.

IMPACT OF COVID-19

The outbreak of the COVID-19 pandemic led to an unprecedented health crisis and disrupted economic activities and trade globally. During Financial Year 2020-21, the Government of India had imposed a stringent nationwide lockdown which severely impacted manufacturing activities. The Company suspended manufacturing activities at both the units for 25 days in April 2020. Although restrictions imposed by government were subsequently relaxed in a phased manner; but since the restrictions were imposed on educational institutions, both units operated at significantly below capacity. Demand for "Writing and Printing Paper" was affected as key consuming segments of publishers struggled to operate due to closure of educational institutions, working capital constraints, shortage of manpower and logistical issues.

The health and safety of our employees and the communities in which we operate and running our operations safely and efficiently so that we can continue to serve our customers, continue to be the first and foremost priority of the Company. As the outbreak spread in India, the Company initiated measure to safeguard the health, welfare and safety of all its employees across locations, including working from home, staggered shift timings to minimize exposure and continuous communication to re-enforce the importance of social distancing, safe working practices across our plants and general hygiene. The Company also remained focused on conserving cash and undertook measures to ensure adequate liquidity during the year under review.

Vaccination of employees remained a high priority area for the Company and steps were taken, right from the month of March 2021 in this regard. Almost all eligible employees have been given first dose of vaccine and Company plans to go ahead with coverage of all employees in shortest possible time.

MATERIAL CHANGES

There are 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 FY 2021-22 are still being impacted due to restrictions imposed on the educational institutions like schools/colleges to open due to COVID-19.

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 Indian 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 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 : May 11, 2021

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 31st MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

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 **M/s 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, 2020 to 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2021 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 Bye-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

- (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 Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- The Company has paid ₹1,45,000/- + GST to NSE on 7th July, 2020 on account of 29 Days delay to fill the vacancy of Independent Director as per Regulation 17(1) of SEBI LODR Regulations, 2015. The Company had represented the NSE and BSE against levy of fine to the time taken by it to fill the casual vacancy caused by the death of an Independent Director. The NSE has not accepted the Company's plea. The BSE has not intimated its decision as on this day on the subject.

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 women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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 : May 11, 2021**

**FCS No. 4391
C.P No. 2585**

UDIN : F004391B000373628

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.

1. 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.
2. 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.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P S Bathla & Associates

**Parminder Singh Bathla
Company Secretaries**

**Place : Ludhiana
Dated : May 11, 2021**

**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 2021 (₹ in lakhs) | % Change in remuneration from previous year | Ratio of Remuneration to MRE* |
|---|--|---|-------------------------------|
| Rajneesh Oswal (Chairman and Managing Director) | 230.31 | [48.57] | 95.56 |
| Vishal Oswal (Vice-Chairman and Managing Director) | 229.70 | [48.71] | 95.31 |
| Kunal Oswal (Whole Time Director) | 19.32 | [32.26] | 8.02 |
| Anil Kumar (Executive Director & CEO) | 109.95 | [26.82] | 45.62 |
| R K Mahajan (Chief Financial Officer) | 13.58 | [21.23] | 5.63 |
| Ruchita Vjj (Company Secretary) | 7.11 | [13.29] | 2.93 |

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 ₹2.41 lakhs p.a;
- (iii) In the financial year, there was decline of 0.31% in the median remuneration of employees;
- (iv) There were 1301 permanent employees on the rolls of the Company as on 31st March, 2021;
- (v) Average percentile change in the salaries of employees other than the managerial personal in the last financial year i.e. 2020-21 was (6.16%) whereas the percentile change in the managerial remuneration for the same financial year was (45.80%).
- (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 | 230.31 | MBA from USA | 32 | 30-06-1989 | 55 | Executive Director Adlnath Textiles Limited | 0.05% | Rajneesh Oswal, Vishal Oswal and Kunal Oswal are real brothers |
| Vishal Oswal | Vice Chairman and Managing Director | 229.70 | B.Com | 26 | 03-08-1995 | 49 | --- | --- | |
| Kunal Oswal | Whole Time Director | 19.32 | B.Com | 24 | 29-01-2007 | 47 | --- | 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 | 109.95 | MBA B.Sc (Engg.) | 48 | 01-04-1983 | 71 | Vardhman Group | 0.01 | Director |
| Ashok Kumar Goyal | President | 25.61 | B.Com LLB, DBM FCS, MEP | 38 | 09-04-2018 | 61 | Vardhman Polytex Limited | --- | No |
| Arun Kumar Kapoor | Sr. Vice President | 25.83 | A.C.A | 41 | 01-04-1987 | 63 | Arihant Fabrics Ltd. | --- | No |
| Vijay Kumar Singla | Vice President | 22.27 | Diploma [Mech. Engg.] | 42 | 21-11-1981 | 62 | Maghan Paper Mill | --- | No |
| Jatinder Kumar Gautam | Vice President | 21.14 | M.A. (Economics) | 44 | 25-12-1981 | 66 | Munish Paper | --- | No |
| Arun K. Goel | Vice President | 20.20 | M.A. (Eco.) PGD (PM) | 38 | 09-08-1999 | 61 | Bharti Telecom Ltd. | --- | No |
| Anil Kumar Nathani | Senior General Manager | 19.33 | Paper Tech. MSc., PhD | 41 | 16-09-2014 | 62 | The West Coast Paper Mills Ltd. | --- | No |

Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹1,02,00,000 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 | 230.31 | MBA from USA | 32 | 30-06-1989 | 55 | Executive Director, Adinath Textiles Limited | 0.05% | Rajneesh Oswal, Vishal Oswal and Kunal Oswal are real brothers |
| Vishal Oswal | Vice-Chairman & Managing Director | 229.70 | B.Com | 26 | 03-08-1995 | 49 | --- | --- | |
| Anil Kumar | Executive Director & CEO | 109.95 | MBA, BSC (Engg) | 48 | 01-04-1983 | 71 | 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.
- Optimization of compressed air systems to minimize losses and reduce energy consumption.
- Replacement of Communication System at Paper Machine with Single PLC for better control of machine.

ii) Steps taken for utilising alternate sources of energy:

- Generation of biogas from waste to meet process heating requirements.
- A higher capacity biomass based captive power generation plant is being commissioned at Shreyans Papers unit to meet entire requirement of electrical power.

(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:

- New Oxygen Delignification stage in pulp mill at Shree Rishabh Paper unit.
- Steam and condensate system for process improvement at Shree Rishabh Paper unit.
- More efficient Bleach Stage Washers installed at Shreyans Papers unit for improvements in terms of pulp consistency, increase in brightness, cost effectiveness and better environmental performance.

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 | Steam and condensate system. | 2020-21 |
| 2 | Heated Calenders | 2020-21 |

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 | 2,624.83 |
| Earnings in Foreign Exchange | 637.09 |

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://shreyansgroup.com/upload/c1623665216CSR_POLICY_Amended_11_05_2021.pdf

2. The Composition of the CSR Committee (as on 31.03.2021).

| Name | Designation |
|---|-----------------------------|
| Mr. Rajneesh Oswal, Chairman & Managing Director | Chairman |
| Mr. Vishal Oswal, Vice-Chairman & Managing Director | Member |
| Mr. Anil Kumar, Executive Director & CEO | Member |
| Mr. R. C. Juneja, Independent Director | Member (wef 29th June 2020) |

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

| Particulars | Year ended | | | Average |
|-------------------------|------------|------------|------------|----------|
| | 31.03.2020 | 31.03.2019 | 31.03.2018 | |
| Net Profit (₹ in lakhs) | 4,388.91 | 4,597.65 | 4,552.11 | 4,512.89 |

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: ₹ 90.26 lakhs

Unspent amount from previous year: ₹ 65.54 lakhs

The Company was required to spend ₹ 155.80 lakhs towards CSR.

5. Details of CSR spent during the financial year.

(a) Total amount spent for the financial year; ₹ 112.61 lakhs

(b) Amount unspent, if any ; ₹ 43.19 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) | 19.00 | 18.98 | 109.90 | * |
| 2 | Promoting preventive healthcare, sanitation, family welfare, community hospitals and rural development programmes especially in rural areas. | Health Care | Ahmedgarh, (Punjab) | 67.00 | 67.35 | 137.62 | * |
| 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. | Conser vation of Environ ment Live Stock | Ahmedgarh, Ludhiana (Punjab) | 1.00 | 0.60 | 4.64 | * |
| 4 | Contribute towards training to promote cultural & rural sports, nationally recognized sports, Paralympics and Olympics sports | Sports | Ahmedgarh, (Punjab) | 1.00 | - | 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) | 68.00 | 25.68 | 58.62 | * |
| Total | | | | 156.00 | 112.61 | 316.23 | |

*** Details of the Implementing Agencies :**

- | | |
|---|---|
| 1. Darshan Kumar Oswal Public Charitable Trust, Ludhiana | 11. End Aids India, New Delhi. |
| 2. SOS Children Villages of India, New Delhi | 12. Prime Minister CARES Fund, New Delhi. |
| 3. Virjanand Samarak Samiti Trust, Kartarpur (PB) | 13. Mahavir Dal Shree Sanatan Dharam Parcharak Sabha, Punjab. |
| 4. Sewa Bharti Regd., Ahmedgarh | 14. Dayanand Medical College & Hospital Managing Committee, Ludhiana. |
| 5. Sh Sh 1008 Swami Rameshwar Giri Charitable Hospital, Ahmedgarh | 15. Mohandai Oswal Cancer Treatment & Research Foundation, Ludhiana. |
| 6. Palampur Rotary Eye Foundation | 16. Manas Foundation, Ludhiana. |
| 7. Social Welfare Organization Regd., Ahmedgarh | 17. Social Educational Welfare Association, Saila Khurd. |
| 8. GuruNanak Mission Sewa Society, Ahmedgarh | 18. Widows and Orphan Trust, Dakha. |
| 9. Shree Radhey Krishna Gau Dham Trust Regd., Ludhiana | |
| 10. Shri Parasnath Public Charitable Trust, Ludhiana | |
6. The Company has spent ₹112.61 Lakhs (approx 72%) in the Financial year 2020-21 on activities as provided in Para 5 (c) above.

A. CSR Amount unspent for the financial year:

| Amount Unspent (in ₹) | | | | |
|---|------------------|--|--------|------------------|
| Total amount transferred to Unspent CSR Account as per section 135[6] for on-going project. | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135[5]. | | |
| Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 43,19,000.00 | 30.04.2021 | -- | -- | -- |

B. Details of ongoing projects for the financial year:

| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area [Yes/No] | Location of the project | | | Project duration | Amount allocated for the project [Rs in lakhs] | Amount transferred to Unspent CSR Account for the project as per Section 135[6] [Rs in lakhs] | Mode of implementation Direct [Yes]/ No] | Mode of implementation Through Implementing Agency | |
|---------|--|--|---------------------|--|--------------|--------|------------------|--|---|--|--|-------------------------|
| | | | | Village/ City | District | State | | | | | Name | CSR Registration Number |
| 1 | Improvement in education infrastructure of schools or rural/slum area covering construction of additional rooms/ provision of basic amenities. | Education | Yes | Ahmedgarh, Ludhiana including nearby areas | Ludhiana | Punjab | Upto 3 years | 31.19 | 31.19 | Yes | | |
| 2 | Construction of Building for Dispensary | Health care | Yes | Banah | S.B.S. Nagar | Punjab | Upto 3 year | 12.00 | 12.00 | Yes | | |

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 : May 11, 2021

(Sd/-)

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

Place : Ludhiana

Dated: May 11, 2021

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.

India ranks as the 5th largest producer of paper in the world. However, the Indian Paper Industry accounts for a meagre 4% of global paper demand. 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. The per-capita consumption of 14-15 kgs is significantly lower than the world average of around 57 kgs. This indicates the ample scope available for expansion of the Indian Paper Industry. The total paper consumption has grown at a CAGR of around 6.4% over last decade with none of the last ten years showing a decline in consumption demand and this momentum is likely to continue. The long-term demand outlook for the Indian paper industry remains favorable, driven by increasing literacy levels, growth in print media (particularly in the vernacular languages), higher government spending on education sector, changing urban lifestyles as well as economic growth. Given that these factors are likely to be sustained, the paper industry is likely to continue growing at a rate of 6-8% per annum in the medium to long term although there may be aberrant years given the cyclical nature of the industry. Also with new education policy, coming into effect and a gradual rise in education spend by the Government and increased thrust on education are likely to support demand for Writing and printing paper.

Indian Paper Industry went through one of its toughest phases in its history with Covid-19 affecting demand and disrupting the supply chain. Paper manufacturers encountered serious challenges in operating their units due to lack of orders, suffered huge reduction in capacity utilisation, eroding substantially the profitability of their units. This was more pronounced in the case of manufacturers of printing and writing grades whose of take fell sharply due to closure of schools, colleges and courts as well as from work-from home practices. However, Paper Industry has been witnessing signs of revival from Q4 of 2020-21 onwards, but second wave of COVID-19 infection has been a setback.

FINANCIAL PERFORMANCE AND ANALYSIS

The discussions in this section relate to the financial results pertaining to the year ended March 31, 2021 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 2021 | % of Revenue | % Growth/(Fall) | Year ended 31 March 2020 | % of Revenue |
|--|-----------------------------|-----------------|--------------------|-----------------------------|-----------------|
| Revenue | 34,643.29 | 100.00% | (5.85%) | 54,030.92 | 100.00% |
| Earnings before interest, tax, depreciation and amortisation (before other income) | 543.80 | 4.21% | (48.10%) | 4,165.67 | 7.71% |
| Profit Before Tax (PBT) | 942.10 | 2.57% | (53.83%) | 3,254.49 | 6.02% |
| Profit after tax attributable to shareholders of the Company | 1,010.18 | 2.76% | (33.15%) | 3,119.06 | 5.77% |
| Earnings per share (in ₹) | 6.35 | - | (31.93%) | 23.12 | - |

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 2021 | Year ended 31 March 2020 | % Change |
|--|-------|-----------------------------|-----------------------------|----------|
| Debt Equity Ratio | times | 0.29 | 0.27 | 7.03 |
| Current Ratio | " | 1.42 | 1.47 | (3.85) |
| Receivables Outstanding in Days to Sales | days | 26.05 | 18.76 | 38.87 |
| Inventory in days to Cost of goods sold | " | 37.24 | 28.40 | 31.11 |
| Interest Coverage Ratio | times | 3.05 | 10.05 | (69.95) |
| Operating Profit Margin | % | (1.78) | 5.57 | (131.87) |
| Net Profit Margin | % | 2.76 | 5.77 | (52.24) |

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

The unfavorable movements in the ratios during the FY 2020-21 as compared to FY 2019-20 are mostly attributed in to adverse market conditions. The drop in the margins and interest coverage ratio are mainly attributed to lower volumes and drop in realisations.

Higher receivables mainly on account of high sales in the month of March 2021 (represented in receivables) disproportionately higher compared to other months in FY 2020-21. The sales were more even in FY 2019-20. Inventory Turnover Ratio also increased due to higher Inventory at the end of current year, as compared to the previous year.

The Company registered lower profits in FY 2020-21 mainly on account of the Covid-19 related market disruptions and consequent lower volumes of production / sales and lower net sales realisations. The negative impact, arising out of significant drop in sales volumes and substantial reduction in Net Sales Realisations in the current year, as compared to previous year, was partially offset by the increase in fair value of Investments on mark to market basis.

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 2021, Company has 1301 employees consisting of 102 managers, 312 staff/officers and 887 workers.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Company is supporting a local NGO for running a Charitable Eye Hospital, wherein significant financial help is provided by the Company. During the year under review substantial amounts were also paid to this NGO to set up additional capacity, including construction of a General Ward as an extension of the Hospital. During COVID-19 pandemic also, Hospital continued to operate to provide quality eye care to the needy persons.

Viewing the pandemic's effect on the country's health care sectors, in an attempt to help poor patients, the Company had contributed substantially towards the Government's efforts to combat Covid-19 challenges.

OUTLOOK

Paper Industry which was one of the worst hit in the wake of the COVID-19 pandemic, has been witnessing signs of revival from Q4 of 2020-21 onwards. However, the escalating second wave of COVID-19 infection poses serious down-side risks to the economy and heightens the possibility of business disruptions. Indian Paper Industry went through one of its toughest phases in its history with Covid-19 affecting demand and disrupting the supply chain. Paper manufacturers encountered serious challenges in operating their units due to lack of orders, suffered huge reduction in capacity utilisation, eroding substantially the profitability of their units. This was more pronounced in the case of manufacturers of printing and writing grades whose of take fell sharply due to closure of schools, colleges and courts as well as from work-from home practices. Paper Industry's growth, generally, mirrors the growth in the economy and hence an early economic recovery is a pre-requisite for paper industry's revival of fortunes.

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.

With the ongoing vaccination program in India and with people now adapting to Covid-19 norms and environment, it is expected that the sales of Writing and printing paper will witness an uptick during FY22 on year to year basis backed by better paper demand and increase in its prices. The education institutions are likely to begin upcoming academic sessions (around June 2021) physically at least for higher class students if not for all the students. Physical study sessions for higher class students have been witnessed in the past few months as well. This is expected to result in better demand for printing & writing paper. Considering these factors, the demand for paper is expected to improve by Q2 FY22.

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 | 4 | Yes |
| R.C. Juneja Independent Director | 07804729 | Non-Executive Director | 4 | Yes |
| Pratibha Goyal Independent Director | 07174666 | Non-Executive Director | 4 | Yes |
| H. K. Bal Independent Director (wef 9th November 2020) | 00008576 | Non-Executive Director | 1 | NA |

(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 | --- | --- |
| 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 | --- |
| H.K. Bal | 3 | 2 | 0 | 1. Shreyans Financial and Capital Services Ltd. 2. Adinath Textiles Limited (Non-Executive Independent Director in all above listed Companies) |

- * 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 2020-21 on 29th June 2020, 7th August 2020, 9th November 2020 and 11th February 2021.
- (e) The Board of Shreyans Group comprises 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 2021 | Attributes | | |
|------------------------------------|--------------------------------|-----------------------|------------|
| | Business Dynamics & leadership | Strategy and Planning | Governance |
| Rajneesh Oswal | ✓ | ✓ | ✓ |
| Vishal Oswal | ✓ | ✓ | ✓ |
| Kunal Oswal | ✓ | ✓ | ✓ |
| Anil Kumar | ✓ | ✓ | ✓ |
| Prem Kumar | ✓ | ✓ | ✓ |
| R. C. Juneja | ✓ | ✓ | ✓ |
| Pratibha Goyal | ✓ | ✓ | ✓ |
| H. K. Bal | ✓ | ✓ | ✓ |

(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. However during FY 2020-21, Mr. A.K. Chakraborty (DIN 00133604), Independent Director of the Company, ceased to be Independent director as he had completed his two consecutive terms on 12th August 2020.

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 (till 12th August 2020) | Member | 0 |
| Anil Kumar | Member | 4 |
| R. C. Juneja (wef 29th June 2020) | Member | 3 |

iii. Four Meetings of the Audit Committee were held during Financial Year 2020-21 on 29th June 2020, 7th August 2020, 9th November 2020 and 11th February 2021.

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 2020-21 on 29th June 2020 and 9th November 2020.

| Name of Member | Designation | Meetings Attended |
|---|-------------|-------------------|
| Prem Kumar | Member | 2 |
| A. K. Chakraborty (till 12th August 2020) | Member | 0 |
| Pratibha Goyal | Member | 2 |
| R. C. Juneja (wef 29th June 2020) | Member | 1 |

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 | | | | Total |
|--|--------------|----------------|----------------|-----------------------|--------|
| | Basic Salary | Provident Fund | Other Benefits | Performance Incentive | |
| Rajneesh Oswal Chairman & Managing Director | 221.71 | 6.61 | 1.99 | --- | 230.31 |
| Vishal Oswal Vice- Chairman & Managing Director | 221.42 | 6.57 | 1.71 | --- | 229.70 |
| Kunal Oswal Whole time Director | 15.55 | 1.77 | 2.00 | --- | 19.32 |
| Anil Kumar Executive Director and CEO | 36.90 | 4.24 | 31.91 | 36.90 | 109.95 |

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 30th September, 2020.

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 |
|----------------|---------------------------------|---------------------------------------|-------|
| Prem Kumar | 0.80 | 0.10 | 0.90 |
| R. C. Juneja | 0.80 | 0.35 | 1.15 |
| Pratibha Goyal | 0.80 | 0.50 | 1.30 |
| H. K. Bal | 0.20 | 0 | 0.20 |

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 | 7 | 7 |
| Rajneesh Oswal | Member | 7 | 7 |
| Anil Kumar | Member | 7 | 7 |
| Vishal Oswal | Member | 7 | 7 |

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 01-04-2020 | 0 | Resolved during the year | 13 |
| Received during the year | 13 | Pending as on 31-03-2021 | 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." Two meetings of the Corporate Social Responsibility Committee were held during the Financial Year 2020-21 on 29th June 2020 and 11th February 2021.

The composition of the committee as at March 31, 2021 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 | 2 | 2 |
| Vishal Oswal Vice-Chairman & Managing Director | Member | 2 | 2 |
| Anil Kumar Executive Director & CEO | Member | 2 | 2 |
| R. C. Juneja Independent Director | Member | 2 | 1 |

The Company Secretary acts as Secretary to the Committee.

7. Independent Director's Meeting

During the year, the Independent Directors met on 11th February, 2021 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 |
|----------------|-------------------------------|------------|---|----------------------------------|
| 2019-20 | 30 th Sept., 2020 | 3.00 P.M. | Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123 | 6 |
| 2018-19 | 15 th 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 th August, 2018 | 11.00 A.M. | Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123 | 1 |

(ii) Postal Ballot

During the year under review, one resolution related to approval of 'APPOINTMENT OF MS. HARBHAJAN KAUR BAL (DIN 00008576) AS AN INDEPENDENT DIRECTOR (NON-EXECUTIVE)' was 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 Financial Statements. For the year 2020-21, 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 | www.shreyansgroup.com |
| iv | Whether it also displays official news releases | NA |
| v | The presentations made to Institutional Investors or to the Analysts | NA |

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, 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: 31st August 2021 at 11.00 a.m.

Place: Regd. office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana -141 123

ii. Financial Year

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

iii. Date of Book Closure

The Register of Members and Share Transfer books of the Company shall remain closed from 25th August 2021 to 31st August 2021 (both days inclusive), for the purpose of payment of dividend, if any and AGM, for both physical and electronic segments.

iv. Dividend Payment date (tentative)

Credit or dispatch of dividend warrants tentatively between 6th September 2021 to 25th September 2021.

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.

Company has paid up to date listing fee to the Bombay Stock Exchange Limited and the National Stock Exchange of India limited.

Stock Code

| | | | |
|---|------------|--|----------------------|
| Bombay Stock Exchange Limited | 516016 | ISIN | INE231C01019 |
| National Stock Exchange of India Limited | SHREYANIND | Corporate Identification Number | L17115PB1979PLC00394 |

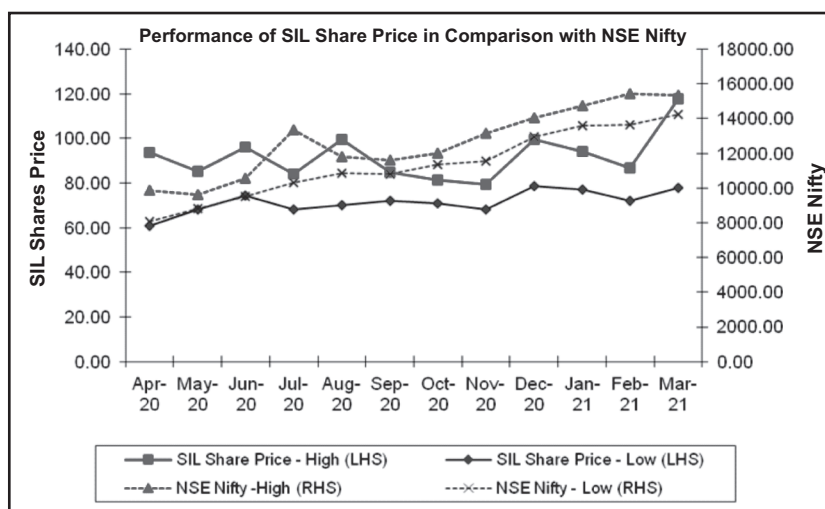
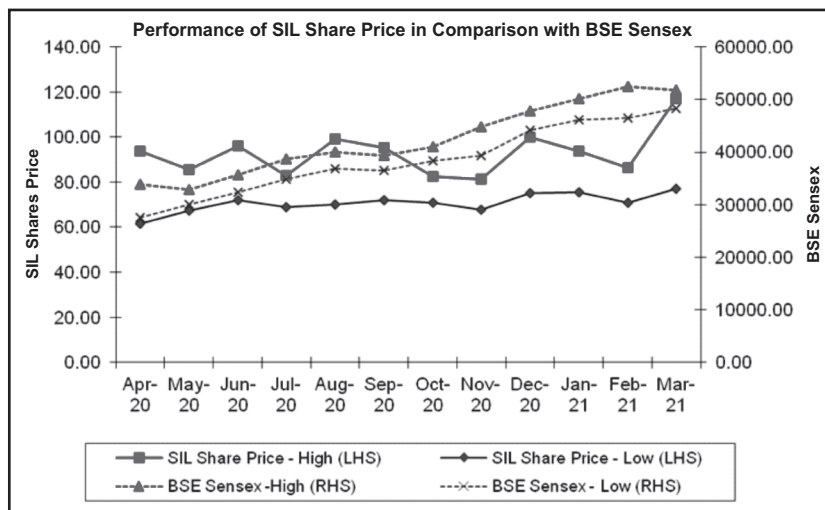
vi. Market Price Data: High, Low during each month in last Financial year

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 |
| Apr - 20 | 93.90 | 61.50 | 93.95 | 60.90 |
| May - 20 | 85.45 | 67.50 | 85.35 | 68.25 |
| Jun - 20 | 96.00 | 72.00 | 96.00 | 74.50 |
| Jul - 20 | 83.05 | 69.00 | 83.95 | 68.25 |
| Aug - 20 | 99.00 | 70.00 | 99.45 | 70.35 |
| Sep - 20 | 95.45 | 72.15 | 84.95 | 72.00 |
| Oct - 20 | 82.50 | 70.80 | 81.50 | 71.10 |

| Month & Year | Share price at Bombay Stock Exchange Limited | | Share Price at National Stock Exchange of India Ltd | |
|--------------|--|-------|---|-------|
| | High | Low | High | Low |
| Nov - 20 | 81.40 | 67.70 | 79.50 | 68.20 |
| Dec - 20 | 99.75 | 75.00 | 99.70 | 78.55 |
| Jan - 21 | 93.90 | 75.50 | 94.00 | 77.25 |
| Feb - 21 | 86.50 | 71.00 | 87.00 | 72.05 |
| Mar - 21 | 117.10 | 77.00 | 117.60 | 78.05 |

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 1st 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. Shares in physical form are processed and approved by M/s Skyline Financial Services Pvt. Ltd., the Registrar and Transfer Agents and approved/taken note of by the Stakeholder's Relationship Committee. The physical share transfers are generally processed within a period of 15 days from the date of receipt of transfer documents by M/s. Skyline Financial Services Pvt. Ltd. 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.

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.

x. DISTRIBUTION OF EQUITY SHARE CAPITAL AS ON : 31.03.2021:

| Shareholding Nominal Value (₹) | No of Shareholders | % to Total Numbers | Shareholding Amount (₹) | % to Total Amount |
|--------------------------------|--------------------|--------------------|-------------------------|-------------------|
| Up To 5,000 | 15,964 | 93.97 | 1,45,12,060 | 10.49 |
| 5,001 To 10,000 | 543 | 3.20 | 42,68,060 | 3.09 |
| 10,001 To 20,000 | 232 | 1.37 | 33,70,500 | 2.44 |
| 20,001 To 30,000 | 97 | 0.57 | 24,54,070 | 1.78 |
| 30,001 To 40,000 | 28 | 0.16 | 9,97,440 | 0.72 |
| 40,001 To 50,000 | 33 | 0.19 | 15,56,510 | 1.13 |
| 50,001 To 1,00,000 | 44 | 0.26 | 31,38,160 | 2.27 |
| 1,00,000 and Above | 47 | 0.28 | 10,79,48,700 | 78.08 |
| TOTAL | 16,988 | 100.00 | 13,82,45,500 | 100.00 |

xi. Dematerialisation of shares and Liquidity

As on 31.03.2021, 96.52% 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 2020-21.

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:**

Shreyans Industries Limited
 Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana (India) -141123
 Ph. (0161) 2685270, 9876400948
 Email : atl@shreyansgroup.com, cs@shreyansgroup.com
 Website : 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 | 56.05 | 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 remuneration of ₹420,581/- for FY 2020-21 for all services, on including reimbursement of out of pocket expenses 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 the Financial Year 2020-21, unclaimed/unpaid dividends declared for Financial Year 2012-13 amounting to Rs.5.26 lacs and corresponding 347,141 equity shares (whose dividend is unpaid/unclaimed for seven consecutive years) due on 29th September 2020 have been transferred to the Investor Education and Protection Fund [IEPF] as per timelines and procedure prescribed under the Companies Act 2013 read with concerned IEPF Rules. The following table contains the information relating to outstanding dividend account as on 31st March 2021 and the proposed dates of transfer the same to IEPF.

| Financial Year | Date of declaration | Due date for IEPF transfer |
|----------------|---------------------|----------------------------|
| 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 |
| 2019-20 | 11-Feb-20 | 12-Mar-27 |

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 31st March, 2021 in terms of regulations 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Ludhiana
Date : May 11, 2021

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 31st March, 2021 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 : May 11, 2021

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 31st March, 2021 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 : May 11, 2021

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, 2021, 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 : May 11, 2021

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 31st March 2021, 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 31st March 2021, 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 judgement, 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 2021 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". 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 to the best of our information and according to the explanations given to us:
 - (i) The company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note 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 has been no delay in transferring amounts, required 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 : May 11, 2021 Partner
UDIN : 21521575AAAACD6329 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 31st March 2021. 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, 2021.
- (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, service tax CST, value added 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 | 0.52 | 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 |
| Central Excise Act, 1944 | Service Tax | 2.63 | 0.20 | 2.43 | 2017-2018 | 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 |

- (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 : May 11, 2021 Partner
UDIN : 21521575AAAACD6329 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, 2021 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 Board of Directors 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 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 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 : May 11, 2021 Partner
UDIN : 21521575AAAACD6329 M. No. 521575

BALANCE SHEET AS AT 31ST MARCH 2021

(₹ in lakhs)

| | Note No. | As at 31 st March 2021 | As at 31 st March 2020 |
|---|----------|-----------------------------------|-----------------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 3a | 21,229.97 | 17,058.93 |
| (b) Capital work-in-progress | | 1,621.46 | 4,157.64 |
| (c) Right of use Asset | 3b | 268.50 | 249.56 |
| (d) Other Intangible Assets | 3c | 1.86 | 2.34 |
| (e) Financial Assets | | | |
| i Investments | 4 | 98.00 | 75.86 |
| ii Loans | 5 | 2.84 | 5.61 |
| iii Others financial assets | 6 | 13.26 | 61.75 |
| (f) Other Non Current assets | 7 | 497.56 | 1,123.41 |
| Total Non-current assets | | 23,733.45 | 22,735.10 |
| (2) Current assets | | | |
| (a) Inventories | 8 | 3,900.78 | 4,303.09 |
| (b) Financial Assets | | | |
| i Investments | 9 | 8,398.63 | 7,142.21 |
| ii Trade receivables | 10 | 2,613.39 | 2,776.91 |
| iii Cash and Cash equivalents | 11 | 12.67 | 18.03 |
| iv Bank Balances (other than iii above) | 12 | 541.51 | 446.53 |
| v Loans | 13 | 31.59 | 244.66 |
| vi Other financial assets | 14 | 307.52 | 222.46 |
| (c) Income tax assets (net) | 15 | 55.09 | 52.37 |
| (d) Other current assets | 16 | 236.19 | 306.78 |
| Total Current assets | | 16,097.37 | 15,513.04 |
| TOTAL ASSETS | | 39,830.82 | 38,248.14 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity Share capital | 17 | 1,382.47 | 1,382.47 |
| b) Other Equity | 18 | 21,236.03 | 20,225.85 |
| Total Equity | | 22,618.50 | 21,608.32 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| i Borrowings | 19 | 2,692.47 | 2,918.96 |
| ii Other Financial Liabilities | | | |
| a) Lease liabilities | 20 | 174.83 | 174.93 |
| b) Other Financial Liabilities | " | 9.79 | 9.79 |
| (b) Provisions | 21 | 368.20 | 515.65 |
| (c) Deferred tax liabilities (net) | 22 | 2,472.56 | 2,363.51 |
| (d) Other non-current liabilities | 23 | 125.91 | 122.48 |
| Total Non-current liabilities | | 5,843.76 | 6,105.32 |
| (2) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| i Borrowings | 24 | 2,451.61 | 2,148.66 |
| ii Trade payables | | | |
| a) total outstanding dues of micro enterprises and small enterprises | 25 | 49.39 | 63.45 |
| b) total outstanding dues of creditors other than micro and small enterprises | " | 4,276.47 | 4,672.76 |
| iii Other financial liabilities | | | |
| a) Lease liabilities | 26 | 85.90 | 74.16 |
| b) Other financial liabilities | " | 3,485.45 | 3,066.09 |
| (b) Other current liabilities | 27 | 817.19 | 302.95 |
| (c) Provisions | 28 | 202.55 | 206.43 |
| Total Current liabilities | | 11,368.56 | 10,534.50 |
| TOTAL EQUITY AND LIABILITIES | | 39,830.82 | 38,248.14 |

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

See accompanying notes to the financial statements.

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 : May 11, 2021



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in lakhs)

| | Note No. | For the year ended 31 st March 2021 | For the year ended 31 st March 2020 |
|--|----------|---|---|
| I Revenue from operations | 29 | 36,643.29 | 54,030.92 |
| II Other Income | 30 | 2,052.94 | 602.40 |
| III Total Income (I + II) | | 38,696.23 | 54,633.32 |
| IV Expenses : | | | |
| Cost of materials consumed | 31 | 17,975.11 | 25,999.49 |
| Purchases of stock-in-trade | 32 | 7.14 | - |
| Changes in inventories of finished goods, work-in-progress and stock in trade | 33 | 151.63 | 53.28 |
| Employee benefits expense | 34 | 5,215.60 | 6,211.63 |
| Finance costs | 35 | 546.43 | 460.54 |
| Depreciation and amortization expense | 3a,3b,3c | 1,108.21 | 1,053.04 |
| Other expenses | 36 | 12,750.01 | 17,600.85 |
| Total Expenses (IV) | | 37,754.13 | 51,378.83 |
| V Profit before exceptional items and tax (III-IV) | | 942.10 | 3,254.49 |
| VI Exceptional Item | | - | - |
| VII Profit before tax (V-VI) | | 942.10 | 3,254.49 |
| VIII Tax expense: | | | |
| 1) Current tax | | - | 1,003.00 |
| 2) Deferred tax | | 64.47 | (944.62) |
| IX Profit for the year (VII-VIII) | | 877.63 | 3,196.11 |
| X Other Comprehensive Income | | | |
| Items that will not be subsequently reclassified to profit or loss | | | |
| (i) Remeasurement of the employee defined benefit plans | | 177.13 | (102.96) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (44.58) | 25.91 |
| Total Other Comprehensive Income/ (loss) net of taxes | | 132.55 | (77.05) |
| XI Total Comprehensive Income for the period (IX+X) (Comprising profit and other comprehensive income for the period) | | 1,010.18 | 3,119.06 |
| XII Earnings per equity share (Face Value of ₹10 each) | | | |
| i) Basic (₹) | | 6.35 | 23.12 |
| ii) Diluted (₹) | | 6.35 | 23.12 |

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)
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 00002668

PLACE : Ludhiana
DATE : May 11, 2021

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 st 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 st 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 31st March 2020 | 1,382.47 | 2.10 | 1,923.75 | 3,896.69 | 14,529.96 | (126.65) | 20,225.85 |
| As at 1 st April 2020 | 1,382.47 | 2.10 | 1,923.75 | 3,896.69 | 14,529.96 | (126.65) | 20,225.85 |
| Profit for the year transferred from statement of profit and loss | | | | | 877.63 | - | 877.63 |
| Other Comprehensive Income for the year (net of income tax) | | | | | - | 132.55 | 132.55 |
| As at 31st March 2021 | 1,382.47 | 2.10 | 1,923.75 | 3,896.69 | 15,407.59 | 5.90 | 21,236.03 |

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

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DIN 00002668

PLACE : Ludhiana
DATE : May 11, 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

| | For the year ended 31 st March 2021 | For the year ended 31 st March 2020 |
|--|---|---|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax as per statement of profit and loss | 942.10 | 3254.49 |
| Adjustment for : | | |
| Depreciation and amortisation expense | 1108.21 | 1,053.04 |
| Interest Income | (68.58) | (53.74) |
| Dividend on non current investments | - | (0.01) |
| Net Loss/(gain) on sale of current investments | (117.07) | (423.63) |
| Net fair valuation Loss/ (gain) on Financial assets | (1719.22) | 1,194.13 |
| Interest expense | 459.85 | 359.77 |
| Net Loss/(gain) on sale/discarding of property, plant and equipment | 4.08 | (20.94) |
| Amortisation of other Financial Assets | 2.88 | 1.45 |
| Allowances for doubtful/ credit loss for trade receivables and advances written back | (0.11) | (0.23) |
| Provisions no longer required written back | (64.48) | (3.47) |
| Trade receivables and other balances written off/(back) (net) | (8.80) | (10.01) |
| | (403.24) | 2096.36 |
| Operating Profit Before Working Capital Changes | 538.86 | 5350.85 |
| Changes in working capital | | |
| Adjustment for (Increase)/ Decrease in operating assets: | | |
| Inventories | 402.31 | (151.14) |
| Trade receivables | 160.64 | 1,128.84 |
| Loans (Current) | 213.07 | (206.87) |
| Loans (Non-current) | 3.43 | (1.56) |
| Other assets (Current) | 70.59 | 123.78 |
| Other assets (Non-current) | (105.95) | 65.22 |
| Other financial assets (Current) | (53.10) | (27.21) |
| Other financial assets (Non-current) | 42.25 | 47.14 |
| Adjustment for increase/(decrease) in operating liabilities: | | |
| Trade payables | (410.35) | 279.15 |
| Provisions (Non-current) | 29.68 | 5.47 |
| Provisions (Current) | (3.88) | 21.10 |
| Other financial liabilities (Current) | (130.46) | 155.18 |
| Other financial liabilities (Non-current) | - | - |
| Other liabilities (Current) | 590.51 | (453.30) |
| Other liabilities (Non-current) | 10.89 | (10.12) |
| | 819.64 | 975.68 |
| Cash generated from operations | 1358.50 | 6326.53 |
| Income taxes paid (Net of refund) | (2.72) | (1026.89) |
| Net cash generated from operating activities | 1355.78 | 5299.64 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payment for Purchase of Property, Plant and Equipment including capital advances | (2098.38) | (4838.72) |
| Purchase of investments | (655.01) | (9259.48) |
| Proceeds from sale of investments | 1212.74 | 7984.68 |
| Proceeds from sale of Property, Plant and Equipments | 0.95 | 46.31 |
| Dividend received | - | 0.01 |
| Interest received | 42.86 | 37.74 |
| Bank Balances not considered as cash and cash equivalents | (94.99) | (127.18) |
| Net cash flows /(used in) investing activities | (1591.83) | (6156.64) |

C CASH FLOW FROM FINANCING ACTIVITIES

| | | |
|---|---------------|---------------|
| Proceeds from borrowings (non current) | 748.73 | 1,931.03 |
| Repayment of borrowings (non current) | (351.56) | (339.03) |
| Proceeds from borrowings (current) | 295.36 | 848.67 |
| Repayment of borrowings (current) | - | - |
| Interest Paid | (430.06) | (272.95) |
| Interest Paid on Lease liability | (24.69) | (28.78) |
| Dividend on equity share capital paid (including taxes) | (7.10) | (1,280.39) |
| Net cash flows/(used in) financing activities | 230.68 | 858.55 |
| Net increase/(decrease) in cash and cash equivalents | (5.36) | 1.55 |
| Cash and cash equivalents at beginning of the year | 18.03 | 16.48 |
| Cash and cash equivalents at end of the year | 12.67 | 18.03 |

(for Component of Cash and cash equivalents Refer note 11)

Principal payments for Lease liabilities paid during the year
is ₹86.53 lakhs (previous year ₹87.39 lakhs)

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

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DIN 00002678

(RAJNEESH OSWAL)
Chairman &
Managing Director
DIN 00002668

PLACE : Ludhiana
DATE : May 11, 2021

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**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, 2021 and authorised for issue on 11th May, 2021.

2 Significant accounting policies, significant accounting judgements, estimates and assumptions and applicability of new and revised Ind AS**Significant Accounting Policies****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') to the extent notified 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'. First time adoption has been conducted retrospectively with cumulative effect of initially applying this standard as on the transition date. The effect on the transition to Ind AS 115 was significant.

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.

Revenue from the sale of goods is recognised at the point in time when control of goods are transferred to the customer which is usually on dispatch / delivery.

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 and it is reasonable to expect ultimate collection.

iii) Dividend

Dividend Income from investments is recognized when the right to receive the payment is established and amount of dividend can be measured reliably.

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.

Post Employment Plan**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. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.
- 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.

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except the assets costing ₹5000/- or below on which depreciation is charged @ 100% per annum on proportionate basis, are as follows:

| | | | |
|---------------------------------|---|-------|-------|
| 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 (Software) 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 of raw materials, stores and spares, work-in-progress and finished goods 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 ending 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.

The non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

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.

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

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

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.

Investment in Equity Instruments measured at fair value through OCI

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.

Financial Asset or Financial Liability at fair value through Profit or Loss

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.

➤ **Cash Flow Hedge**

The Company has not designated derivative financial instruments as cash flow hedges.

➤ **Equity Instruments:**

Equity instruments are any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities.

➤ **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**Provisions**

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

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.

3 (a) Property, Plant and Equipment

(₹ In lakhs)

| Carrying amount of | As at 31 st March 2021 | As at 31 st March 2020 |
|--|-----------------------------------|-----------------------------------|
| Freehold Land | 380.14 | 380.14 |
| Buildings | 2,829.59 | 1,989.04 |
| Plant and equipment | 17,396.26 | 13,948.84 |
| Furniture and fixtures | 22.68 | 27.71 |
| Vehicles | 568.16 | 678.12 |
| Office equipment | 33.14 | 35.08 |
| Total Property, plant and equipment | 21,229.97 | 17,058.93 |
| Capital work-in-progress | 1,621.46 | 4,157.64 |
| | 22,851.43 | 21,216.57 |

| Particulars | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
|--|---------------|----------------|---------------------|------------------------|----------------|------------------|-----------------|
| Cost or Deemed Cost | | | | | | | |
| Balance at 01 st April 2020 | 380.14 | 2370.28 | 16637.10 | 50.61 | 1027.96 | 77.53 | 20543.62 |
| Additions | - | 949.07 | 4229.91 | - | 22.54 | 10.50 | 5212.02 |
| Adjustments/Transfer | - | - | - | - | - | - | - |
| Deletions | - | 3.95 | 1.17 | 0.22 | 1.00 | 1.03 | 7.37 |
| Balance at 31st March 2021 | 380.14 | 3315.40 | 20865.84 | 50.39 | 1049.50 | 87.00 | 25748.27 |
| Accumulated depreciation as at 1st April 2020 | | | | | | | |
| Depreciation | - | 105.99 | 781.32 | 4.81 | 132.19 | 11.65 | 1035.96 |
| Accumulated depreciation on deletions | - | 1.42 | - | - | 0.69 | 0.24 | 2.35 |
| Accumulated depreciation as at 31st March 2021 | - | 485.81 | 3469.58 | 27.71 | 481.34 | 53.86 | 4518.30 |
| Carrying Value as of 31st March 2021 | 380.14 | 2829.59 | 17396.26 | 22.68 | 568.16 | 33.14 | 21229.97 |
| Carrying Value as of 1st April 2020 | 380.14 | 1989.04 | 13948.84 | 27.71 | 678.12 | 35.08 | 17058.93 |
| Cost or Deemed Cost | | | | | | | |
| Balance at 01 st 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 |
| Deletions | - | 0.51 | 4.33 | - | 83.54 | 0.05 | 88.43 |
| Balance at 31st March 2020 | 380.14 | 2370.28 | 16637.10 | 50.61 | 1027.96 | 77.53 | 20543.62 |
| Accumulated depreciation as at 1st April 2019 | | | | | | | |
| 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 |
| Accumulated depreciation as at 31st March 2020 | - | 381.24 | 2688.26 | 22.90 | 349.84 | 42.45 | 3484.69 |
| Carrying Value as of 31st March 2020 | 380.14 | 1989.04 | 13948.84 | 27.71 | 678.12 | 35.08 | 17058.93 |
| Carrying Value as of 1st April 2019 | 380.14 | 1924.89 | 14455.24 | 32.78 | 631.74 | 33.69 | 17458.48 |

Depreciation/Amortisation expense

| Particulars | Note | Current Year | Previous Year |
|---|------|----------------|----------------|
| * Depreciation/Amortisation for the year on Property plant and equipment | 3 a | 1035.96 | 972.62 |
| * Depreciation/Amortisation for the year on Right of use Assets | 3 b | 79.23 | 87.40 |
| * Amortisation for the year on Intangible Assets | 3 c | 0.48 | 0.48 |
| 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 | | 1108.21 | 1053.04 |

Notes on property, plant and equipment

1. Borrowing cost capitalised during the year ₹129.28 Lakhs (previous year Nil).
2. Refer to note 2.3 (c) for option used by the company to use carrying value of previous GAAP as deemed cost as on 1st April 2016.
3. Refer to note 38 for information on property, plant and equipments pledged as security by the Company.

3 (b) Right of Use Asset

(₹ In lakhs)

| Carrying amount of | As at 31 st March 2021 | As at 31 st March 2020 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Land | 243.72 | 189.19 |
| Buildings | 24.78 | 60.37 |
| Total Right of Use Assets | 268.50 | 249.56 |

(₹ In lakhs)

| Particulars | Land | Buildings | Total |
|--|---------------|--------------|---------------|
| Cost or Deemed Cost | | | |
| Balance at 01 st April 2020 | 257.14 | 79.82 | 336.96 |
| Additions | 116.65 | - | 116.65 |
| Deletions | 22.65 | 28.30 | 50.95 |
| Balance at 31st March 2021 | 351.14 | 51.52 | 402.66 |
| Accumulated depreciation as at 1st April 2020 | 67.95 | 19.45 | 87.40 |
| Depreciation | 62.12 | 17.11 | 79.23 |
| Accumulated depreciation on deletions | 22.65 | 9.82 | 32.47 |
| Accumulated depreciation as at 31st March 2021 | 107.42 | 26.74 | 134.16 |
| Carrying Value as of 31st March 2021 | 243.72 | 24.78 | 268.50 |
| Carrying Value as of 1st April 2020 | 189.19 | 60.37 | 249.56 |

(₹ In lakhs)

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

*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) Other Intangible Assets

(₹ In lakhs)

| Carrying amount of | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Computer Software | 1.86 | 2.34 |
| Total Other Intangible Assets | 1.86 | 2.34 |

(₹ In lakhs)

| Particulars | Computer Software |
|--|----------------------|
| Cost or Deemed Cost | |
| Balance at 01st April 2020 | 4.43 |
| Additions | - |
| Adjustments/Transfer | - |
| Deletions | - |
| Balance at 31st March 2021 | 4.43 |
| Accumulated depreciation as at 1st April 2020 | 2.10 |
| Depreciation | 0.48 |
| Accumulated depreciation on deletions | - |
| Accumulated depreciation as at 31st March 2021 | 2.58 |
| Carrying Value as of 31st March 2021 | 1.86 |
| Carrying Value as of 1st April 2020 | 2.34 |

(₹ In lakhs)

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

These intangible assets are not internally generated Refer to note 2.3 (d) for option used by the company for amortisation of intangible assets.

4 Investments (Non Current) (₹ in lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Investments carried at fair value through Profit or loss (FVTPL) | | |
| Investment in equity instruments (quoted) | | |
| 990 (Previous year : 990) equity shares of ICICI Bank Ltd ₹2 each fully paid) | 5.76 | 3.22 |
| 1280000 (Previous year: 1280000) equity shares of Adinath Textiles Ltd ₹10 each fully paid up | 39.94 | 20.48 |
| 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 | - | - |
| Investment in equity instruments (unquoted) | | |
| 23500 (Previous year: 23500) equity shares of Fountain Tie Up Pvt Ltd ₹10/- each fully paid up | 52.30 | 52.16 |
| 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 ₹100 each fully paid up | - ** | - ** |
| TOTAL | 98.00 | 75.86 |
| 1. Aggregate book value of quoted investments | 0.13 | 0.13 |
| 2. Aggregate Market Value of quoted investments | 45.70 | 23.70 |
| 3. Aggregate book value of unquoted investments | 1.88 | 1.88 |
| 4. Aggregate carrying value of unquoted investments | 52.30 | 52.16 |
| 5. Aggregate amount of impairment in value of investments | - | - |
| *Read as ₹250/- | | |
| **Read as ₹100/- | | |
| 5 Financial Asset: Loans | | |
| Financial assets at amortized cost considered good - unsecured | | |
| Employee Loans | 2.84 | 5.61 |
| TOTAL | 2.84 | 5.61 |
| 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* | 12.75 | 55.00 |
| Interest accrued on fixed deposits | 0.51 | 6.75 |
| TOTAL | 13.26 | 61.75 |
| *Includes ₹12.75 lakhs (Previous year ₹55.00 lakhs), kept as fixed deposits against bank guarantees, letter of credits and other commitments | | |
| 7 Other non current assets (Unsecured considered good) | | |
| Advances for property, plant and equipment | 103.75 | 835.55 |
| Prepaid expenses | 20.93 | 29.57 |
| Balances with Statutory/Government Authorities | 21.83 | 21.63 |
| Deferred Expenses for Employee Benefit (Loan) | 0.29 | 0.91 |
| Others | 350.76 | 235.75 |
| TOTAL | 497.56 | 1,123.41 |

(₹ in lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| 8 Inventories | | |
| (At cost or net realizable value whichever is lower) | | |
| Raw materials | 1,414.41 | 1,668.42 |
| Work in Progress | 225.77 | 193.25 |
| Finished Goods | 266.72 | 450.87 |
| Stores, Spares and components | 1,929.43 | 1,681.47 |
| Material in Transit | | |
| - Raw Material | 37.42 | 273.13 |
| - Store, Spares and components | 27.03 | 35.95 |
| | <u>3,900.78</u> | <u>4,303.09</u> |

Notes:

- The cost of inventories recognised as an expense during the year was ₹19021.37 lakhs (previous year: ₹27660.63 lakhs).
- The mode of valuation of inventories has been stated in Note 2.3 (f) on Accounting policy for inventories i.e. at cost or net realisable value which ever is lower
- Refer to note 38 for information on inventories pledged as security by the Company.

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

| | | |
|--|----------|--------|
| 100000 (Previous year: 100000) units of ₹10 each of SBI Banking Financial Services Fund-GP | 22.38 | 13.03 |
| 3379954.423 (Previous year 2237937.517) units of ₹10/- each fully paid-up of Kotak Balanced Advantage Fund -GP | 445.41 | 207.30 |
| 433703.198 (Previous year 433703.198) units of ₹10/- each of DSP Short Term Fund -GP | 159.17 | 148.19 |
| 781961.513 (Previous year 781961.513) units of ₹10/- each of Nippon India Short Term Fund-GP | 319.00 | 295.39 |
| 1718641.016 (Previous year 2296566.706) units of ₹10 each of Franklin India Credit Risk Fund -GP | 355.72 | 429.39 |
| Nil (Previous year 5015.442) units of ₹1000/- each of Franklin India Short Term Income Plan - GP | - | 192.17 |
| Segregated portfolios of Nippon India and Franklin India Funds | 1.50 | 1.90 |
| 6110191.53 (Previous year 6110191.53) units of ₹10/- each of Axis Equity Saver Fund - GP | 930.58 | 732.61 |
| 14097.37 (Previous year 14097.37) units of ₹1000/- each of Axis Banking & PSU Debt Fund - Growth | 290.33 | 269.46 |
| 2201511.705 (Previous year 2201511.705) units of ₹10/- each of BOI AXA Credit Risk Fund - GP | 90.66 | 166.89 |
| 1716251.154 (Previous year 1716251.154) units of ₹10/- each of ICICI Prudential Balanced Advantage Fund - GP | 759.27 | 524.66 |
| 1156588.157 (Previous year 1156588.157) units of ₹10/- each of ICICI Prudential Banking And PSU Debt Fund- Growth | 288.93 | 267.89 |
| 2353350.782 (Previous year 2353350.782) units of ₹10/- each of ICICI Prudential Short Term Fund - Growth Option | 1,079.32 | 992.39 |
| 613195.977 (Previous Year 613195.977) units of ₹10/- each of ICICI Prudential Balanced Advantage Fund- Direct Plan- Growth | 294.58 | 187.45 |
| Nil (Previous year 759369.913) units of ₹10/- each of HDFC Short Term Debt Fund - Regular Plan - Growth | - | 171.92 |
| 104572.721 (Previous year 104572.721) units of ₹10/- each of HDFC Balanced Advantage Fund - Regular Plan - Growth | 246.60 | 157.11 |

(₹ in lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| 9 Investments (current) contd... | | |
| 624882.834 (Previous Year 624882.834) units of ₹10/- each of IDFC Bond Fund- Medium Term Plan- Growth- (Regular Plan) | 228.39 | 213.36 |
| 947454.206 (Previous year 947454.206) units of ₹10/- each of ICICI Prudential Balanced Advantage Fund - Growth | 419.15 | 289.64 |
| 732780.683 (Previous year 732780.683) units of ₹10/- each of ICICI Prudential Balanced Advantage Fund- Direct Plan- Growth | 352.03 | 241.82 |
| 929499.637 (Previous year 2084991.083) units of ₹10/- each of ICICI Prudential Balanced Advantage Fund- Growth | 411.21 | 637.38 |
| 653811.181 (Previous year 653811.181) units of ₹10/- each of Edelweiss Balanced Advantage Fund- GP | 205.89 | 145.08 |
| ^ 300 (Previous year 300) units of Edelweiss All Weather Equity Solution Fund | 400.83 | 244.76 |
| Nil (Previous year 20) units of ₹10 lakh each fully paid up of HDB Financial Services Ltd | - | 220.44 |
| ^ Avendus Enhanced Return Fund Class AI-7th closure | 357.19 | 240.37 |
| ^ Avendus Enhanced Return Fund Class AI-13th closure | 228.09 | 151.61 |
| 258.0398 units(Previous year NIL) of ₹1 lakh- each of Kotak Optimus Moderate Scheme Class A | 303.22 | - |
| 20 units (Previous year NIL) of ₹10 lakh each of Shriram Transport Finance Company Limited | 209.18 | - |
| | 8,398.63 | 7,142.21 |
| 1. Aggregate book value of quoted investments | 7,375.98 | 7,816.65 |
| 2. Aggregate Market Value of quoted investments | 8,398.63 | 7,142.21 |
| 3. Aggregate amount of impairment in value of investments | - | 674.44 |
| 4. Refer Note no 38 for investments pledged as Security | | |
| ^ These Investments are managed through PMS | | |
| 10 Trade receivables | | |
| Trade Receivable Considered good, Secured | 20.75 | 32.81 |
| Trade Receivable Considered good, Unsecured | 2,592.64 | 2,744.10 |
| Trade Receivable with significant credit risk | - | - |
| Trade Receivable with credit impaired | 19.17 | 16.53 |
| | 2,632.56 | 2,793.44 |
| Loss allowances for credit impaired | (19.17) | (16.53) |
| Total | 2,613.39 | 2,776.91 |
| Trade receivables includes ₹Nil, (previous year Nil) due from Related Party. There is no amount due from directors, other officers 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. There are no major customers representing more than 10% of total balance of Trade Receivables. The Company has used a practical expedient by computing the expected loss allowances for trade receivables based on historical credit loss experience | | |
| Refer Note 38 for information of trade receivables pledged as security by the Company. | | |
| 11 Cash and Cash equivalents | | |
| Balance with banks in | | |
| -Current accounts | 6.73 | 11.83 |
| -Cheques in hand | - | 0.43 |
| Cash on hand | 5.94 | 5.77 |
| | 12.67 | 18.03 |

| Particulars | (₹ in lakhs) | | | |
|--|--------------------------------------|--------------------------------------|-----------------------------------|-----------------|
| | As at 31 st March 2021 | As at 31 st March 2020 | | |
| 12 Other Bank Balances | | | | |
| Earmarked balances with banks | | | | |
| a) Balances with banks | | | | |
| - In current accounts (unclaimed dividend Account) | 98.39 | 105.49 | | |
| b) - In Fixed Deposits (held under margin money and other commitments) | | | | |
| -with maturity less than 3 months | 177.11 | 164.55 | | |
| -with maturity more than 3 months but less than 12 months | 266.01 | 176.49 | | |
| -with maturity more than 12 months | 12.75 | 55.00 | | |
| Subtotal | 554.26 | 501.53 | | |
| Less Disclosed as "Non Current Financial Assets" (refer Note 6) | 12.75 | 55.00 | | |
| Total | 541.51 | 446.53 | | |
| 13 Financial Assets: Loans | | | | |
| Financial assets at amortized cost considered good - unsecured | | | | |
| Inter Corporate Loans | - | 203.00 | | |
| Employee Loans | 31.59 | 41.60 | | |
| Employee Advances | - | 0.06 | | |
| | 31.59 | 244.66 | | |
| 14 Other Financial Assets | | | | |
| Financial assets at amortized cost (unsecured considered good, unless otherwise stated) | | | | |
| Interest Receivable | | | | |
| -Interest accrued on fixed deposits | 6.17 | 9.85 | | |
| -others | 112.33 | 76.69 | | |
| Other Recoverables | 187.95 | 135.92 | | |
| Financial Assets at Fair Value through Profit or Loss | | | | |
| -Derivative Instruments | 1.07 | - | | |
| | 307.52 | 222.46 | | |
| 15 Income Tax Asset (Net) | | | | |
| Prepaid Taxes | 5,304.44 | 5,301.72 | | |
| Less Provision for Taxes | 5,249.35 | 5,249.35 | | |
| Income Tax Asset (Net of Provision) | 55.09 | 52.37 | | |
| 16 Other current assets | | | | |
| Advances to vendors | 57.17 | 111.84 | | |
| Prepaid expenses | 156.77 | 106.05 | | |
| Balances with Statutory/Government Authorities | 11.97 | 76.32 | | |
| Others | 10.28 | 12.57 | | |
| | 236.19 | 306.78 | | |
| 17 Equity share capital | | | | |
| | | (₹ in lakhs) | | |
| Particulars | As at 31 st March 2021 | | As at 31 st March 2020 | |
| | Number | Amount | Number | Amount |
| Authorised | | | | |
| 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 |
| Total | 19,100,000 | 2,000.00 | 19,100,000 | 2,000.00 |

| | | | | |
|--|-------------------|-----------------|-------------------|-----------------|
| Issued, subscribed and fully paid-up | | | | |
| 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 |
| Total | 13,825,000 | 1,382.47 | 13,825,000 | 1,382.47 |

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 st March 2021 | | As at 31 st March 2020 | |
| | Number | Amount | Number | Amount |
| Issued, subscribed and paid-up equity shares | | | | |
| 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 recommended a Dividend of ₹3/- per equity share of ₹10/- for the financial year ended March 31, 2021 (Previous year ₹3/- per equity share)

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

| Particulars | Equity shares capital | | | |
|--|-----------------------|----------------|-----------------------|----------------|
| | As at 31 March 2021 | | As at 31 March 2020 | |
| | Number of Shares held | % shareholding | Number of Shares held | % shareholding |
| Jagvallah Parasnath Capital Investment (P) Ltd | 11,59,518 | 8.39% | 11,59,518 | 8.39% |
| 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% | 9,87,565 | 7.14% |
| 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 2021 No's | As at 31 March 2020 No's |
|---|-----------------------------|-----------------------------|
| 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 | As at 31 March 2021 | As at 31 March 2020 |
|--------------------|-------|---------------------|---------------------|
| 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 2021 | As at 31 March 2020 |
| b. Securities premium | I (b) | | |
| Opening balance | | 1,923.75 | 1,923.75 |
| Additions | | - | - |
| Deductions | | - | - |
| Closing balance | | 1,923.75 | 1,923.75 |
| c. General reserve | I (c) | | |
| Opening balance | | 3,896.69 | 3,896.69 |
| Additions | | - | - |
| Deductions | | - | - |
| Closing balance | | 3,896.69 | 3,896.69 |
| d. Retained earnings | I (d) | | |
| Opening balance | | 14,529.96 | 12,667.16 |
| Additions | | 877.63 | 3,196.11 |
| Deductions | | - | (1,333.31) |
| Closing balance | | 15,407.59 | 14,529.96 |
| e. Items of other comprehensive income: | I (e) | | |
| Opening balance | | (126.65) | (49.60) |
| Additions | | 132.55 | (77.05) |
| Deductions | | - | - |
| Closing balance | | 5.90 | (126.65) |
| Total | | 21,236.03 | 20,225.85 |

* Refer Statement of Changes in Equity for movement during the year

Note

I Nature and purpose of reserve

- a) **Capital reserve:** The amount of capital profit on re-issue 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. 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 where applicable).
- 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 2021 | As at 31 March 2020 |
| II Dividend on Equity Shares (refer note 48) | | |
| Proposed Dividend for the year ended 31st March 2021 | 414.74 | - |
| Interim Dividend for the year ended 31st March 2020 | - | 414.74 |
| Dividend Distribution Tax on interim dividend | - | 85.25 |
| Total | 414.74 | 499.99 |

| Particulars | (₹ in lakhs) | | | |
|---|--|--------|------------------------|--------|
| | As at 31 March 2021 | | As at 31 March 2020 | |
| Authorised | Number | Amount | Number | Amount |
| 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 | As at |
|--|-----------------|-----------------|
| | 31 March 2021 | 31 March 2020 |
| Secured (at amortised cost) | | |
| Term Loans | | |
| From Banks | 3,285.01 | 2,914.52 |
| Less :Current maturities of non current borrowings | 891.07 | 366.40 |
| From Others | - | 4.72 |
| Less: Current maturities of non current borrowings | - | 4.72 |
| Unsecured | | |
| Deposits | | |
| From related parties (refer note 54) | 159.85 | 143.20 |
| From others | 400.12 | 389.42 |
| Less: Current maturities of non current deposits | 261.44 | 161.78 |
| Total | 2,692.47 | 2,918.96 |

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 | Periodicity of repayment | |
| | 31 st March 2021 | 31 st March 2020 | As at 31 st March 2021 | As at 31 st March 2020 | | | As at 31 st March 2021 | As at 31 st March 2020 |
| SBI** | - | 49.75 | - | 1 | 10.15 | 50.00 | - | Due in July 2020 |
| SBI** | - | 24.98 | - | 1 | 10.15 | 25.00 | - | Due in April 2022 |
| SBI | 2082.53 | 1829.72 | 16 | - | 9.50 | 130.00 | Quarterly wef June 2021 | Quarterly wef June 2021 |
| SBI** | - | 20.86 | - | 1 | 10.15 | 20.00 | - | Quarterly |
| IDBI Bank Ltd | 813.03 | 897.07 | 13 | 14 | 9.90 | 65.00 | Quarterly | Quarterly |
| Deutsche Bank | 333.10 | - | 17 | - | 6.60 | 20.00 | Quarterly | - |
| HDFC Bank Ltd | 51.78 | 78.09 | 21 | 33 | 8.50 | 2.66 | Monthly | Monthly |
| HDFC Bank Ltd | 4.10 | 5.90 | 24 | 36 | 8.50 | 0.19 | Monthly | Monthly |
| HDFC Bank Ltd | - | 2.34 | - | 9 | 9.16 | 0.27 | - | Monthly |
| HDFC Bank Ltd | 0.47 | 5.81 | 1 | 13 | 9.02 | 0.47 | Monthly | Monthly |
| | 3285.01 | 2914.52 | | | | | | |

* 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)

| Particulars | (₹ in lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2021 | As at 31 st March 2020 |
| 20 Other Financial Liabilities (Non current) | | |
| Financial liabilities at amortized cost | | |
| a) Lease liability for Right of Use Assets (Refer note 40) | 174.83 | 174.93 |
| | <u>174.83</u> | <u>174.93</u> |
| b) Other Financial liabilities Security Deposits | 9.79 | 9.79 |
| | <u>9.79</u> | <u>9.79</u> |
| Total Other Financial Liabilities | <u>184.62</u> | <u>184.72</u> |
| 21 Provisions | | |
| Provision for employee benefits : | | |
| - Gratuity (Net) (refer note 39) | 58.22 | 199.44 |
| - Compensated Absences | 309.98 | 316.21 |
| Total | <u>368.20</u> | <u>515.65</u> |
| 22 Deferred Tax Liability | | |
| a) Deferred Tax Liability | | |
| Property, Plant and Equipment | 2,675.28 | 2,519.33 |
| Investments measured at FVTPL | 130.73 | - |
| | <u>2,806.01</u> | <u>2,519.33</u> |
| b) Deferred Tax Asset | | |
| Expenditure deductible in future years (on Payment basis) | 188.23 | 155.82 |
| Unabsorbed Depreciation | 145.22 | - |
| | <u>333.45</u> | <u>155.82</u> |
| Net (a-b) | <u>2,472.56</u> | <u>2,363.51</u> |
| 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) | | |
| 23 Other non current liabilities | | |
| Deferred Government Grant related to Property, plant and equipment | 84.21 | 91.67 |
| Others Payables | | |
| Due To Employees | 41.70 | 30.81 |
| Total | <u>125.91</u> | <u>122.48</u> |
| 24 Borrowings (current) | | |
| a) Loan repayable on demand | | |
| From banks | | |
| Secured | 398.17 | 1,717.52 |
| Unsecured | - | - |
| From Others | | |
| Secured | | |
| Inter Corporate Borrowings | 1,200.00 | - |
| Unsecured | | |
| Inter Corporate Borrowings | 325.03 | 66.03 |
| Loans and advances form Related Parties (refer note 54) | 495.41 | 336.16 |
| b) Deposits (Unsecured) | | |
| - From related parties (refer note 54) | - | - |
| - From public | 33.00 | 28.95 |
| Total | <u>2,451.61</u> | <u>2,148.66</u> |

Details of security for loans repayable on demand (secured)

- i) Working capital borrowings from banks ₹398.17 lakhs (previous year ₹1120.77 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 promoter directors of the company (refer note 38).

- ii) 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 ₹Nil lakhs (Previous year ₹596.75) (refer note 38)
- iii) The Company has obtained borrowings ₹1200 Lakhs (Previous year ₹Nil) from Deustche India Investments Pvt Limited against pledge of current investment as stated in Note No 9. (Refer Note No 38)

(₹ in lakhs)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| 25 Trade Payable | | |
| Total Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note 44] | 49.39 | 63.45 |
| Total Outstanding dues of creditors other than dues to Micro and Small Enterprises | 4,276.47 | 4,672.76 |
| | <u>4,325.86</u> | <u>4,736.21</u> |
| 26 Other Financial Liabilities (current) | | |
| Financial liabilities at amortized cost | | |
| a) Lease liability for Right of Use Assets (Refer note 40) | 85.90 | 74.16 |
| | <u>85.90</u> | <u>74.16</u> |
| b) Other Financial Liabilities | | |
| Current Maturities of Long term borrowings Secured | 891.07 | 371.11 |
| Current Maturities of Deposits- Unsecured* | 261.44 | 161.78 |
| Interest accrued but not due on borrowings | 156.70 | 139.74 |
| Interest accrued and due on borrowings | 0.05 | 11.91 |
| Security Deposits | 346.97 | 345.30 |
| Others Payables | | |
| - Due to Employees | 659.63 | 774.48 |
| - Expense payable** | 831.71 | 835.26 |
| - Unclaimed dividend# | 98.39 | 105.49 |
| - Payable on purchases of Property, Plant & Equipment | 239.49 | 307.29 |
| Financial Liabilities at Fair Value through Profit and Loss | | |
| -Derivative Instruments | - | 13.73 |
| | <u>3,485.45</u> | <u>3,066.09</u> |
| Total Other Financial liabilities | <u>3,571.35</u> | <u>3,140.25</u> |
| *Current maturities of Long term borrowings includes ₹190.90 lakhs (previous year ₹102.70 lakhs) as deposits from shareholders and public, and ₹70.54 lakhs (previous year ₹59.08 lakhs) as deposits from related parties. | | |
| **Expenses payable includes amount payable to Directors ₹58.04 lakhs (Previous year ₹59.06 lakhs) | | |
| # 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. | | |
| 27 Other current Liabilities | | |
| Advances from customers | 507.10 | 80.76 |
| Deferred Government Grant related to Property plant and equipment | 7.46 | 7.46 |
| Others Payables | | |
| Due To Employees | 28.96 | 27.82 |
| Statutory remittances** | 273.67 | 186.91 |
| | <u>817.19</u> | <u>302.95</u> |
| ** Statutory remittance includes contribution to provident fund and employee state insurance corporation, tax deducted/collected at source, goods and service tax etc. | | |
| 28 Provisions | | |
| Provision for employee benefits : | | |
| - Compensated Absences | 202.55 | 206.43 |
| | <u>202.55</u> | <u>206.43</u> |

(₹ in lakhs)

| Particulars | For the year ended 31 st March 2021 | For the year ended 31 st March 2020 |
|--|---|---|
| 29 Revenue from operations | | |
| Sale of products | | |
| Paper | 32,632.06 | 48,952.65 |
| Soda Ash (from Chemical Recovery) | 3,780.52 | 4,797.83 |
| By Product & Miscellaneous | 200.18 | 273.68 |
| Traded Goods: | | |
| Paper | - | - |
| Scrap | 13.30 | - |
| Other Operating Revenues | | |
| Export Incentives | 17.23 | 6.76 |
| | <u>36,643.29</u> | <u>54,030.92</u> |
| 30 Other income | | |
| Interest income from financial assets measured at amortised cost | | |
| Interest on Bank deposits | 24.91 | 32.62 |
| Interest from Others | 43.67 | 21.12 |
| Dividend Income From Non current Investments carried at FVTPL | - | 0.01 |
| Net Gain on sale of Investments -carried at FVTPL | 117.07 | 423.63 |
| Net Gain on fair value of Investments carried at Fair value | 1,719.22 | - |
| Net gain on foreign currency transaction | 40.15 | - |
| Reversal of expected credit loss in trade receivables | 0.11 | 0.23 |
| Provisions no longer required written back | 64.48 | 3.47 |
| Sundry Balances written back | 11.79 | 18.10 |
| Rent Received | 16.58 | 21.78 |
| Net Gain on disposal/discard of property, plant and equipment | - | 20.94 |
| Interest income on employee loans | 0.66 | 0.98 |
| Miscellaneous | 14.30 | 59.52 |
| | <u>2,052.94</u> | <u>602.40</u> |
| 31 Cost of material consumed | | |
| Raw material consumed | | |
| Opening Stock of Raw material | 1,668.42 | 1,682.07 |
| Purchases of Raw material | 17,721.10 | 25,985.84 |
| Less Closing Stock | 1,414.41 | 1,668.42 |
| Consumption of Raw material | <u>17,975.11</u> | <u>25,999.49</u> |
| Item wise detail | | |
| Waste Paper | 29.67 | 258.73 |
| Wood Pulp | 2,723.07 | 3,785.68 |
| Straws/Grasses | 6,367.34 | 9,292.09 |
| Caustic Lye | 4,980.23 | 8,153.00 |
| Chlorine | 197.97 | 153.38 |
| Other Dyes & Chemicals | 3,676.83 | 4,356.61 |
| | <u>17,975.11</u> | <u>25,999.49</u> |
| 32 Purchase of Stock-in-trade | | |
| Paper | - | - |
| Scrap | 7.14 | - |
| | <u>7.14</u> | <u>-</u> |

(₹ in lakhs)

| Particulars | For the year ended 31 st March 2021 | For the year ended 31 st March 2020 |
|---|---|---|
| 33 Changes in inventories of finished goods, stock-in-trade and work in progress | | |
| Opening Stock | | |
| Work in Progress | 193.25 | 347.18 |
| Finished goods | 450.87 | 350.22 |
| | <u>644.12</u> | <u>697.40</u> |
| Closing Stock | | |
| Work in Progress | 225.77 | 193.25 |
| Finished goods | 266.72 | 450.87 |
| | <u>492.49</u> | <u>644.12</u> |
| Net (Increase) / Decrease | 151.63 | 53.28 |
| 34 Employee benefits expense | | |
| Salaries, wages and other allowances | 4,728.69 | 5,600.91 |
| Contribution to provident and other funds | 425.82 | 550.52 |
| Staff welfare expense | 61.09 | 60.20 |
| | <u>5,215.60</u> | <u>6,211.63</u> |
| 35 Finance cost | | |
| a) Interest expenses | | |
| - on Term loan | 227.11 | 139.10 |
| - on Working capital borrowings | 50.63 | 57.86 |
| - on Lease liabilities | 24.69 | 28.78 |
| - others | 157.42 | 134.03 |
| b) Other borrowing costs | 83.04 | 98.34 |
| c) Processing Charges amortised | 3.54 | 2.43 |
| | <u>546.43</u> | <u>460.54</u> |
| 36 Other expenses | | |
| Power and fuel | 7,238.42 | 9,854.19 |
| Consumption of stores and spares parts | 370.59 | 453.36 |
| Packing material | 762.54 | 877.32 |
| Repairs and Maintenance | | |
| - Property, Plant and equipment | 1,000.43 | 1,577.89 |
| - Building | 85.55 | 221.07 |
| - Others | 12.72 | 13.76 |
| Rent | - | 0.01 |
| Insurance Charges | 145.19 | 67.65 |
| Expenditure of CSR Activities (refer note 49) | 112.61 | 52.72 |
| Rates and taxes | 23.33 | 21.02 |
| Legal and Professional Charges | 30.14 | 38.58 |
| Director Sitting Fees | 3.55 | 2.75 |
| Payment to Auditors (refer note 43) | 4.21 | 4.42 |
| Trade Receivables and other balances written off | 0.23 | 2.99 |
| Expected Credit Loss | 2.76 | 5.10 |
| Net loss on value of Investments carried at fair value | - | 1,194.13 |
| Net loss on Foreign currency transactions | - | 19.75 |
| Net loss on disposal/discard of Property, plant and equipment | 4.08 | - |
| Commission on sales | 1,663.78 | 1,549.68 |
| Miscellaneous | 1,289.88 | 1,644.46 |
| | <u>12,750.01</u> | <u>17,600.85</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 demands for various years relating to Central excise, Customs duty, Service tax and VAT contested in appeal amounted to ₹110.20 lakhs (previous year ₹310.91 lakhs). 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. As against this, a sum of ₹21.83 lakhs (Previous year ₹21.63 lakhs) is deposited under protest and has been included under Note 7 'Other non current assets'.
- b) Liability on account of outstanding bank guarantees and letter of credit of ₹2764.28 lakhs (previous year ₹2087.28 lakhs).
- c) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- d) The Hon'ble Supreme Court in a recent ruling during the year 2019 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.

(₹ in lakhs)

| B Commitments | As at March 31, 2021 | As at March 31, 2020 |
|---|---------------------------------|---------------------------------|
| a) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) | 383.51 | 1,136.89 |

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 2021 | As at 31st March 2020 |
|---|----------------------------------|-----------------------|----------------------------------|----------------------------------|
| Inventories | Current Borrowings | First Charge | 3900.78 | 4303.09 |
| Trade Receivables | Current Borrowings | First Charge | 2613.39 | 2776.91 |
| Property Plant and Equipments | Current Borrowings | Secondary Charge | 21229.97 | 17058.93 |
| Property Plant and Equipments | Non Current Borrowings | First Charge | | |
| Investments (~ Detail as under) | Current Borrowings | Exclusive Charge | 4941.05 | 2400.41 |
| Total Assets Pledged as Security | | | 32685.19 | 26539.34 |

~ Detail of Investment Pledged as Security against current borrowings

| Particulars of Investment | As at 31st March 2021 | As at 31st March 2020 |
|---|----------------------------------|----------------------------------|
| 1. 433703.198 units (previous year 433703.198) of DSP Short Term Fund - GP | 159.17 | 148.19 |
| 2. Nil (Previous year 2296566.706) units of Franklin India Credit Risk Fund -GP | - | 429.39 |
| 3. 3000000 units (Previous year 3000000) of Axis Equity Saver Fund - GP | 456.90 | 359.70 |
| 4. 2201511.705 units (Previous year 2201511.705) of BOI AXA Credit Risk Fund - GP | 90.66 | 166.89 |
| 5. 1716251.154 units (Previous year 1716251.154) of ICICI Prudential Balanced Advantage Fund - GP | 759.27 | 524.66 |
| 6. 916065.497 units (Previous year 916065.497) ICICI Prudential Short Term Fund- Growth Option | 420.14 | 386.30 |

~ Detail of Investment Pledged as Security against current borrowings (contd.)

| Particulars of Investment | As at 31st March 2021 | As at 31st March 2020 |
|--|--------------------------|--------------------------|
| 7. Nil units (Previous Year 759369.913) of HDFC Short Term Debt Fund - Regular Plan - Growth | - | 171.92 |
| 8. 624882.834 units (Previous Year 624882.834) of IDFC Bond Fund-Medium Term Plan - Growth -(Regular Plan) | 228.39 | 213.36 |
| 9. 781961.513 units (Previous year Nil) of Nippon India Short Term Fund - GP | 319.00 | - |
| 10. 14097.37 units (Previous year Nil) of Axis Banking & PSU Debt Fund-Growth | 290.33 | - |
| 11. 1437285.29 units (Previous year Nil) of ICICI Prudential Short Term Fund - Growth Option | 659.19 | - |
| 12. 3110191.53 units (Previous year Nil) of Axis Equity Saver Fund - GP | 473.68 | - |
| 13. 653811.181 units (Previous year Nil) of Edelweiss Balanced Advantage Fund - GP | 205.89 | - |
| 14. 613195.977 units (Previous year Nil) of ICICI Prudential Balanced Advantage Fund -Growth | 294.58 | - |
| 15. 2237937.52 units (Previous year Nil) of of Kotak Balanced Advantage Fund -GP | 294.92 | - |
| 16. 1156588.157 units of ICICI Prudential Banking And Psu Debt Fund-Growth | 288.93 | - |
| Total | 4941.05 | 2400.41 |

The above investments (Sl. No. 1 to 9) are lien marked against Overdraft facility from Deutsche Bank AG. The outstanding balance against this facility is ₹Nil Lakhs (previous year ₹596.75 Lakhs), the investments Sl. No. 10 to 16 are lien marked against inter corporate borrowings ₹1200 Lakhs (previous year ₹Nil) from Deutsche India Investments Pvt Limited

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 st March 2021 | For the year ended 31 st March 2020 |
| Provident fund administered through Regional Provident Fund Commissioner | 309.61 | 422.46 |

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, 2021 and March 31, 2020.

| | (₹ in lakhs) | |
|---|-------------------------|-------------------------|
| i) Changes in the present value of the defined benefit obligations are as follows | As at March 31, 2021 | As at March 31, 2020 |
| Present value of defined benefit obligation at the beginning of the year | 2,441.15 | 2,161.30 |
| Interest cost | 155.73 | 159.16 |
| Current Service cost | 150.23 | 151.67 |
| Actual Benefits paid | (208.65) | (134.17) |

| | As at March 31, 2021 | (₹ in lakhs) As at March 31, 2020 |
|---|-------------------------|---|
| i) Changes in the present value of the defined benefit obligations are as follows | | |
| Past Service cost including curtailment gains/losses | - | - |
| Actuarial (gain) / loss | (165.44) | 103.19 |
| Present value of defined benefit obligation at end of the year | <u>2,373.02</u> | <u>2,441.15</u> |
| ii) Changes in the Fair value of plan assets are as follows | | |
| Fair value of plan assets at the beginning of the year | 2,241.71 | 2,027.71 |
| Expected return on plan assets | 146.49 | 156.29 |
| Contribution by the Employer | 123.56 | 191.66 |
| Return on plan assets (excluding amounts included in net interest expenses) | 11.69 | 0.22 |
| Actual Benefits paid | (208.65) | (134.17) |
| Fair value of plan assets at the end of the year | <u>2,314.80</u> | <u>2,241.71</u> |
| iii) Net Liability /(Assets) recognised in the Balance Sheet | | |
| Present value of the defined benefit obligation at end of the year | 2,373.02 | 2,441.15 |
| Less: Fair value of plan assets | 2,314.80 | 2,241.71 |
| Unfunded Liability/Asset in Balance Sheet | <u>58.22</u> | <u>199.44</u> |
| iv) Amount recognised in the statement of profit and loss | | |
| Total Service cost | 150.23 | 151.67 |
| Net interest cost | 9.25 | 2.87 |
| Amount recognised in the statement of profit and loss | <u>159.48</u> | <u>154.54</u> |
| v) Amount recognised in other Comprehensive Income (OCI) | | |
| Actuarial Gain/(Loss) arising from change in financial assumption | 331.61 | (171.18) |
| Actuarial Gain/(Loss) arising from experience adjustment | (166.17) | 68.00 |
| Return on plan assets (excluding amount included in net interest expense) | 11.69 | 0.22 |
| Net Income/(Expense) for the period recognized in OCI | <u>177.13</u> | <u>(102.96)</u> |
| vi) The major categories of plan assets as a percentage of the fair value of total plan assets Investment with LIC of India | 2,314.80 | 2,241.71 |
| The plan assets ₹2314.80 lakhs as on 31st March 2021, (₹2241.71 lakhs as on 31st March 2020) 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. | | |
| vii) The Principal assumptions used for the purpose of the Actuarial valuation are as follows | | |
| Discount rate (per annum) | 6.73% | 6.66% |
| 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 | | |
| 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. | | |
| ix) The plan typically exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. | | |
| Investment Risk | | |
| The Probability or likelihood of occurrence of losses relative to the expected return on any particular investment. | | |
| Interest risk | | |
| 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. | | |
| Longevity risk | | |
| 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. | | |

Salary risk

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.

| (₹ in lakhs) | | |
|--|----------------------|----------------------|
| x) The quantitative sensitivity analysis on net liability recognised on account of change in significant assumptions | As at March 31, 2021 | As at March 31, 2020 |
| Present value of obligation at the end of the period | 2,373.02 | 2,441.15 |
| a) Increase/(decrease) in obligation due to change in discount rate | | |
| 1. Impact due to increase of 1% | (89.53) | (94.22) |
| 2. Impact due to decrease of 1% | 99.53 | 104.63 |
| b) Increase/(decrease) in obligation due to change in salary | | |
| 1. Impact due to increase of 1% | 96.59 | 101.24 |
| 2. Impact due to decrease of 1% | (88.48) | (93.13) |
| c) Increase/(decrease) in obligation due to change in Attrition rate | | |
| 1. Impact due to increase of 1% | 0.74 | 2.83 |
| 2. Impact due to decrease of 1% | (0.87) | (3.17) |

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.

xi) Maturity profile of defined benefit obligation as per Terminal Salary & TLOS:

Year ended

| | | |
|--------------------------------|----------|----------|
| a) 1st following year | 881.65 | 883.84 |
| b) 2nd to 5th following year | 994.34 | 1,024.63 |
| c) 6th to 10th following year | 1,032.53 | 1,101.55 |
| d) 11th following year onwards | 2,411.20 | 2,450.62 |

xii) The company expects to contribute ₹60 lakhs to the gratuity trust during the fiscal 2022**xiii) The average duration of the defined benefit plan obligation at the end of the reporting period is 12.91years (previous year 13.14 years)****xiv) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current liability**

| | | |
|--|-----------------|-----------------|
| Current liability (amount due within one year) | 871.48 | 868.80 |
| Non-current liability (amount due over one year) | 1,501.54 | 1,572.35 |
| Total PBO at the end of year | <u>2,373.02</u> | <u>2,441.15</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 ₹61.05 lakhs (Previous year ₹151.17 lakhs)

(ii) Amount taken to balance sheet

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------|----------------------|----------------------|
| - Current | 202.55 | 206.43 |
| - Non-current | 309.98 | 316.21 |

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.

(a) The depreciation expense on ROU assets of ₹79.23 lakhs (previous year ₹87.40 lakhs) is included under depreciation and amortization expense in the statement of Profit and Loss.

(b) Interest Expense on the lease liability amounting to ₹24.69 lakhs (previous year ₹28.78 lakhs) has been included as a component of finance costs in the statement of Profit and Loss.

(c) The changes in the carrying value of Right of Use assets during the year is as under:-

| Particulars | Gross Carrying Value | Depreciation | Net Carrying Value |
|---|----------------------|--------------|--------------------|
| (i) Land | | | |
| As at April 1, 2019 | | | |
| Reclassified on account of adoption of Ind AS 116 | 0.48 | | |
| Addition during the year | 256.66 | | |
| Depreciation during the year | | 67.95 | |
| As at March 31, 2020 | 257.14 | 67.95 | 189.19 |

(c) The changes in the carrying value of Right of Use assets during the year is as under (Contd.):-

| Particulars | Gross Carrying Value | Depreciation | (₹ in lakhs) Net Carrying Value |
|---|----------------------|---------------|------------------------------------|
| As at April 1, 2020 | 257.14 | 67.95 | 189.19 |
| Addition during the year | 116.65 | | |
| Deletions during the year | 22.65 | | |
| Depreciation during the year | | 22.65 | |
| As at March 31, 2021 | 351.14 | 107.42 | 243.72 |
| (ii) Buildings | | | |
| As at April 1, 2019 | | | |
| Reclassified on account of adoption of Ind AS 116 | 85.41 | | |
| Addition during the year | | | |
| Deletions during the year | 5.59 | | |
| Depreciation during the year | | 19.45 | |
| As at March 31, 2020 | 79.82 | 19.45 | 60.37 |
| As at April 1, 2020 | 79.82 | 19.45 | 60.37 |
| Addition during the year | | | |
| Deletions during the year | 28.30 | 9.82 | |
| Depreciation during the year | | 17.11 | |
| As at March 31, 2021 | 51.52 | 26.74 | 24.78 |

(d) The following is the break-up of current and non-current lease liabilities

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Current lease liabilities | 85.90 | 74.16 |
| Non-Current lease liabilities | 174.83 | 174.93 |
| Total | <u>260.73</u> | <u>249.09</u> |

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" applied to all lease contracts existing on April 1, 2019 using the modified retrospective method. On transition, applying Ind AS 17, an amount of ₹85.41 lakhs has been recognised as Right of Use assets in respect of leases that were classified as finance lease, and a lease liability of ₹85.41 lakhs was recognised on that date towards such leases. 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 lease term in respect of all Operating leases ending within 12 months from the date of initial application and accordingly the company has elected to account for such leases as short term lease and has recognized the lease payments as rental expense. The cumulative effect of applying the standard was nil and there has been no adjustment to retained earnings. The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the Statement of Profit or Loss.

(e) The following is the movement in lease liabilities

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Balance at the beginning of the year | 249.09 | - |
| Transition effect | - | 85.41 |
| Addition during the year | 116.65 | 256.66 |
| Deletion during the year | (18.48) | (5.59) |
| Finance cost accrued during the year | 24.69 | 28.78 |
| Payment of lease liabilities | (111.22) | (116.17) |
| Balance at the end of the year | <u>260.73</u> | <u>249.09</u> |

(f) The table below provides details regarding Contractual maturities of lease liabilities

| Particulars | As at 31 st March 2021 | As at 31 st March 2020 |
|---|-----------------------------------|-----------------------------------|
| With in one year | 104.47 | 94.70 |
| After one year but not more than five years | 184.15 | 180.75 |
| More than five years | 20.94 | 29.26 |
| Total Minimum Lease payments | <u>309.56</u> | <u>304.71</u> |
| Less Amount representing finance charges | 48.83 | 55.62 |
| Present value of minimum lease payments | <u>260.73</u> | <u>249.09</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. The discounted rate applied to lease liabilities is 8.60% p.a

(g) The Company incurred Rs Nil (previous year ₹24.89 lakhs) for the year ended March 31, 2021 towards expense relating to short term leases having tenure less than 12 months.

41 Amortisation of intangible assets

The intangible assets (Software expenditure) is amortised on estimated useful life of six years commencing from the year in which the expenditure is incurred.

- 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 2021 | For the year ended 31 March 2020 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| 43 Auditor's Remunerations | | |
| Audit fee | 2.50 | 2.50 |
| Limited review | 0.23 | 0.23 |
| In other capacity: | | |
| Other matters | 0.22 | 0.24 |
| Reimbursement of expenses | 1.26 | 1.45 |
| (excluding applicable taxes) | <u>4.21</u> | <u>4.42</u> |

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 2021 | As at 31st March 2020 |
|--|--------------------------|--------------------------|
| i the principal amount remaining unpaid to any supplier at the end of each accounting year | 49.39 | 63.45 |
| ii the amount of interest remaining unpaid to any supplier at the end of each accounting year | 6.12 | 1.14 |
| 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. | 6.12 | 1.14 |

- 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 2021 | For the year ended 31st March 2020 |
|---|---------------------------------------|---------------------------------------|
| (i) Type of goods | | |
| Revenue from Writing and Printing Paper | 32,632.06 | 48,952.65 |
| Revenue from Soda Ash & Others | 3,994.00 | 5,071.51 |
| | <u>36626.06</u> | <u>54,024.16</u> |

(₹ in lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|---------------------------------------|---------------------------------------|
| (ii) Total Revenue from Contracts with Customers | | |
| Revenue from Customers based in India | 34,508.46 | 51,911.30 |
| Revenue from Customers based outside India | 2,117.60 | 2,112.86 |
| | <u>36,626.06</u> | <u>54,024.16</u> |

(iii) Timing of Revenue Recognition

| | | |
|--------------------------------------|-----------|-----------|
| Goods transferred at a point in time | 36,626.06 | 54,024.16 |
|--------------------------------------|-----------|-----------|

B Trade receivables and Contract Customers

| | | |
|-------------------|----------|----------|
| Trade Receivables | 2,613.39 | 2,776.91 |
|-------------------|----------|----------|

Trade receivables are non-interest bearing and are generally on terms of 7 days to 30 days ₹2.76 lakhs (Previous year ₹5.10 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.

C Contract Liabilities

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.

Revenue recognised in the current reporting period to carried forward Contract liabilities:

The amount of revenue recognised during the year for the amount included in contract liability at the beginning of the year is ₹43.02 lakhs (previous year ₹392.60 lakhs)

D Reconciling the amount of revenue recognized in the statement of Profit and Loss with the Contract Price (₹ in lakhs)

| | Year ended 31st March 2021 | Year ended 31st March 2020 |
|--|-------------------------------|-------------------------------|
| Revenue as per Contract Price | 37,594.42 | 55,069.87 |
| Less : Adjustments | | |
| Sale Return | 131.75 | 63.57 |
| Freight Collected | 798.12 | 930.15 |
| Charity Collected | 38.49 | 51.99 |
| | <u>36,626.06</u> | <u>54,024.16</u> |
| Revenue recognized in the statement of Profit and Loss | | |

E Performance obligation and remaining performance obligation

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, 2021, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

47 Segment Reporting

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 Ind AS 108 are not applicable.

A Information by Geographies**(a) Revenue from external customers**

| | | |
|----------|-----------|-----------|
| Domestic | 34,508.46 | 51,911.30 |
| Overseas | 2,117.60 | 2,112.86 |

(b) The company has business operations only in India and does not hold any assets outside India

B Revenue from major customers**Information about Major Customers**

| | | |
|--|---|--------|
| Number of customer contributing 10% or more to the Company's revenue | - | 2 |
| Revenue arising from sales to such customers. | - | 30.33% |

48 Dividend

The Board of Directors had recommended dividend of ₹3/- per equity share amounting to ₹414.74 lakhs for the year 2020-2021 during their meeting held on 11th May 2021. The dividend, as recommended by the Board of Directors, if approved at the Annual General Meeting, would be paid subject to deduction of tax (TDS) at the prescribed rates as per Income Tax Act, 1961 as amended by Finance Act 2020.

49 Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a company meeting the applicable threshold, need to spend atleast 2% of the average net profit for the immediate preceding 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 ₹155.80 lakhs (previous year ₹118.26 lakhs).
 (b) Amount spent during the year ₹112.61 lakhs (previous year ₹52.72 lakhs)
 (c) Amount remaining unspent as at the end of the year ₹43.19 lakhs (previous year ₹65.54 lakhs)
 (d) Activity

| Particulars | (₹ in lakhs) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
| Promoting education | 18.98 | 22.30 |
| Health care | 67.35 | 8.56 |
| Protection of livestock (environment/flora and fauna/animal welfare) | 0.60 | 0.63 |
| Sports development | - | 2.05 |
| Community Welfare | 25.68 | 19.18 |
| Total | 112.61 | 52.72 |

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 2021 | As at 31 March 2020 |
| 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 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit and loss after tax for EPS (B) (₹ in lakhs) | 877.63 | 3,196.11 |
| Basic Earnings per share (B/A) (₹) | 6.35 | 23.12 |
| Diluted Earnings per share (B/A) (₹) | 6.35 | 23.12 |

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 2021 | For the year ended 31 March 2020 |
| Raw material consumption | - | - |
| Less: Net sales revenue | - | - |
| Salaries and wages | 203.74 | 214.51 |
| Depreciation | 2.82 | 2.85 |
| Stores and spares | 15.64 | 17.33 |
| Cost of utilities | - | - |
| Freight outward | - | - |
| Other expenses | 0.11 | 0.23 |
| | 222.31 | 234.92 |

| | (₹ in lakhs) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
| b) Research and Development: Capital expenses | | |
| Additions to Property, plant and equipments | NIL | NIL |
| The revenue expenses related to research and development is clubbed under respective account heads in the statement of Profit and Loss. | | |
| 52 Disclosure pursuant to Indian Accounting Standard (Ind AS) -12 : Income Taxes | | |
| (a) Income tax recognised in profit or loss | | |
| Current Tax: | | |
| In respect of the Current year | - | 1003.00 |
| In respect of the earlier years | - | - |
| | - | 1003.00 |
| Deferred Tax: | | |
| In respect of the Current year | 64.47 | (944.62) |
| | 64.47 | (944.62) |
| Total income tax expense recognised | 64.47 | 58.38 |
| (b) Income Tax recognised in other comprehensive income | | |
| Arising on income and expenses recognised in other comprehensive income | | |
| Remeasurement of defined benefit obligation | 44.58 | (25.91) |
| Total income tax recognised in other comprehensive income | 44.58 | (25.91) |
| (c) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India: | | |
| Profit before Tax (i) | 942.10 | 3254.49 |
| Corporate tax rate as per Income Tax Act, 1961 (ii) | 25.17% | 25.17% |
| Tax on Accounting profit (iii) = (i) * (ii) | 237.11 | 819.09 |
| Add/(Less) Tax difference on account of: | | |
| i Effect of Depreciation difference | (116.43) | 25.20 |
| ii Effect of expenses that are not deductible in determining taxable profit | (12.26) | 40.18 |
| iii Effect of expenses allowable on payment basis | (44.24) | (25.86) |
| iv Effect of amount of Deductions/Exemption/Non Taxable items | (0.23) | (0.35) |
| v Effect of indexation benefit on value of investment and PPE | (14.71) | (72.02) |
| vi Differential tax rate on capital gain on sale and fair valuation on investment | (301.96) | 163.42 |
| vii Effect of change in tax rate | - | (894.38) |
| viii Effect of brought forward losses | 332.69 | - |
| ix Others | (15.50) | 3.10 |
| Total effect of tax adjustments | (172.64) | (760.71) |
| Tax expense recognised during the year | 64.47 | 58.38 |
| Current Tax | - | 1,003.00 |
| Tax of earlier years | - | - |
| Deferred Tax | 64.47 | (944.62) |
| Total tax provided | 64.47 | 58.38 |

d) Movement in Deferred tax balances (₹ in lakhs)

| Particulars | For the year ended 31 March 2020 | | | |
|---|----------------------------------|-------------------------------|-------------------|-----------------|
| | Opening Balance | Recognised in Profit and Loss | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax assets/liabilities | | | | |
| 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) |
| Net Tax Liabilities/(asset) | 3334.05 | (944.62) | (25.91) | 2363.51 |

| Particulars | For the year ended 31 March 2021 | | | |
|---|----------------------------------|-------------------------------|-------------------|-----------------|
| | Opening Balance | Recognised in Profit and Loss | Recognised in OCI | Closing Balance |
| Tax effect of items constituting deferred tax assets/liabilities | | | | |
| Property, Plant and Equipment | 2519.33 | 155.95 | - | 2675.28 |
| Employee Benefits | - | (44.58) | 44.58 | - |
| Fair value of Investments through Profit and loss | - | 130.73 | - | 130.73 |
| Expenditure deductible on payment basis | (155.82) | (32.41) | - | (188.23) |
| Unabsorbed depreciation to be set off in subsequent periods | - | (145.22) | - | (145.22) |
| Net Tax Liabilities/(asset) | 2363.51 | 64.47 | 44.58 | 2472.56 |

Note : The deferred tax asset amounting to ₹Nil (Previous year ₹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 | Year ended 31st March 2021 | | Year ended 31st March 2020 | |
|--|----------------------------|---|----------------------------|---|
| | Current Borrowings | Non-Current Borrowings (incl. Current maturities) | Current Borrowings | Non-Current Borrowings (incl. Current maturities) |
| Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement | 2,148.66 | 3,451.86 | 1,299.99 | 1,857.42 |
| Changes during the year | | | | |
| a) Changes from financing cash flow (Net) | 295.36 | 397.17 | 848.67 | 1,592.00 |
| 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 | 7.59 | (4.05) | - | 2.44 |
| Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement | 2,451.61 | 3,844.98 | 2,148.66 | 3,451.86 |

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 | Dr. Prem Kumar | Independent Director |
| | | Sh. Ramesh Chander Juneja | Independent Director |
| | | Mrs. Harbhajan Kaur Bal | Independent Director |
| | | Dr. Prathibha 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 Private Limited | 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) Ltd. | 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 | Sidharth Sales Corporation |
| | Adhinath Textiles Limited |

ii. Relative of Key Management Personnel:

| | |
|----------------------------|--|
| Mrs. N.K. Oswal, Manager | Mrs. Preeti Oswal, Manager |
| Mrs. Shikha Oswal, Manager | Ms. Arshia Oswal, Asstt. General Manager |
| Mrs. Neera | 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 | - | - | 609.98 | 1,099.87 | - | - |
| 1a | ***Contractual remuneration outstanding as on last day of financial year | - | - | 24.15 | 39.26 | - | - |
| 2 | Sitting fee | - | - | 3.55 | 2.75 | - | - |
| 3 | Interest Paid | - | 18.69 | - | - | - | - |
| 4 | Contribution to CSR Expenditure/Charity | 11.80 | 10.50 | - | - | - | - |
| 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) | 323.16 | 775.16 | 332.75 | 13.00 | - | - |
| 5 b | Loans repaid | - | 452.00 | 160.50 | - | - | - |
| 5 c | Closing Balance of Loans | 323.16 | 323.16 | 172.25 | 13.00 | - | - |
| 6 | Receipt against services rendered | - | 3.00 | - | - | - | - |
| 7 | Contribution to trust towards Post Employment benefit | - | - | - | - | - | - |
| | | | | | | 123.56 | 191.66 |

| Sr. No | Particulars | Relatives of KMP | | Total | |
|--------|--|------------------|---------------|--------------|---------------|
| | | Current Year | Previous Year | Current Year | Previous Year |
| 1 | ***Contractual remuneration | 19.69 | 21.68 | 629.67 | 1,121.55 |
| 1a | ***Contractual remuneration outstanding as on last day of financial year | 1.39 | 1.58 | 25.54 | 40.84 |
| 2 | Sitting fee | | | 3.55 | 2.75 |
| 3 | Interest Paid | 17.11 | 15.85 | 17.11 | 34.54 |
| 4 | Contribution to CSR Expenditure | | | 11.80 | 10.50 |
| 4 a | Fixed Deposits taken (including opening balance) | 159.85 | 143.20 | 159.85 | 143.20 |
| 4 b | Fixed Deposits repaid | | | - | - |
| 4 c | Closing Balance of Fixed Deposits | 159.85 | 143.20 | 159.85 | 143.20 |
| 5 a | Loan taken (including opening balance) | - | - | 655.91 | 788.16 |
| 5 b | Loans repaid | - | - | 160.50 | 452.00 |
| 5 c | Closing Balance of Loans | - | - | 495.41 | 336.16 |
| 6 | Receipt against services rendered | - | - | - | 3.00 |
| 7 | Contribution to trust towards Post Employment benefit | - | - | 123.56 | 191.66 |

*** 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 st March 2021 | for the year ended 31 st March 2020 |
| Borrowings and interest accrued | 6453.34 | 5752.18 |
| Less: Cash and cash equivalents | 12.67 | 18.03 |
| Net debt (A) | 6440.67 | 5734.15 |
| Total equity | 22618.50 | 21608.32 |
| Capital and Net debt (B) | 29059.17 | 27342.47 |
| Gearing ratio (A/B) | 22.16% | 20.97% |

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March 2021 and 31st March 2020.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31st March 2021 and 31st March 2020.

ii Categories of financial instruments

The Carrying value and fair value of financial instruments by categories are as follows

As at 31st March 2021**(₹ 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) | | |
| Financial Assets: | | | | | | |
| Investments (Non Current) (Refer Note 4) | 0.00 | | 98.00 | | 98.00 | 98.00 |
| Loans (Non Current) (Refer Note 5) | | 2.84 | | | 2.84 | 2.84 |
| Other financial non-current assets (Refer Note 6) | | 13.26 | | | 13.26 | 13.26 |
| Investments (Current) (Refer Note 9) | | - | 8398.63 | | 8398.63 | 8398.63 |
| Trade receivables (Refer Note 10) | | 2613.39 | | | 2613.39 | 2613.39 |
| Cash and Cash Equivalents (Refer Note 11) | | 12.67 | | | 12.67 | 12.67 |
| Other Bank Balances (Refer Note 12) | | 541.51 | | | 541.51 | 541.51 |
| Loans (Current) (Refer Note 13) | | 31.59 | | | 31.59 | 31.59 |
| Other financial assets (Current) (Refer Note 14) | | 306.45 | 1.07 | | 307.52 | 307.52 |
| Total | 0.00 | 3521.71 | 8497.70 | - | 12019.41 | 12019.41 |
| Financial Liabilities: | | | | | | |
| Borrowings (Non Current) (Refer Note 19) | | 2692.47 | | | 2692.47 | 2692.47 |
| Other financial liabilities (Non Current) (Refer Note 20) | | 184.62 | | | 184.62 | 184.62 |
| Borrowings (Current) (Refer Note 24) | | 2451.61 | | | 2451.61 | 2451.61 |
| Trade Payables (Refer Note 25) | | 4325.86 | | | 4325.86 | 4325.86 |
| Other financial liabilities (Current) (Refer Note 26) | | 3571.35 | - | | 3571.35 | 3571.35 |
| Total | - | 13225.91 | - | - | 13225.91 | 13225.91 |
| As at 31st March 2020 | | | | | | |
| Financial Assets: | | | | | | |
| Investments (Non Current) (Refer Note 4) | 0.00 | | 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 |
| Total | 0.00 | 3775.95 | 7218.07 | - | 10994.02 | 10994.02 |
| Financial Liabilities: | | | | | | |
| 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 |
| Total | - | 13115.07 | 13.73 | - | 13128.80 | 13128.80 |

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 | As at |
|--|-------------------|--------------------|
| | 31st March 2021 | 31st March 2020 |
| | USD | USD |
| Exposure on account of financial Assets | | |
| Trade Receivable/ Export Order (A) | 2,83,409 | 3,50,000 |
| Amount Hedged through forwards (B) | 2,75,000 | 3,50,000 |
| Net Exposure to Foreign Currency Assets (C=A-B) | 8,409 | - |
| Exposure on Account of Financial Liabilities | | |
| Trade Payable and Borrowings (D) | 6,68,158 | 1,006,657 |
| Amount Hedged through forwards (E) | - | - |
| Net Exposure to Foreign Currency Liabilities (F=D-E) | 6,68,158 | 1,006,657 |
| Net Exposure to Foreign Currency Assets/ (Liabilities) (C- F) | (6,59,749) | (1,006,657) |

The following significant exchange rates applied are:-

| Currency | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
|----------|----------------|---------|------------------------|---------|
| | Year end rates | | Average Exchange rates | |
| INR/USD | 73.12 | 75.37 | 74.23 | 71.09 |

a.2 Foreign currency sensitivity analysis

Any changes in the exchange rate of 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 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 exchange rates (with all other variables held constant).

(₹ in lakhs)

| Impact on Profit /Loss on account of :- | As at | As at |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| 5% Strengthening/ weakening of USD against INR | +/- 35.32 | +/- 48.22 |

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 2021 | As at 31st March 2020 |
| Variable rate instruments | | |
| Long term borrowings | 2337.59 | 2491.78 |
| Current maturities of long term debt | 860.00 | 330.61 |
| Short term borrowings | 398.17 | 1717.52 |

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 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:

| Impact on Profit (loss) on account of : | (₹ in lakhs) | |
|---|--------------------------|--------------------------|
| | As at 31st March 2021 | As at 31st March 2020 |
| Increase/ decrease in 100 basis point | +/- 35.96 | +/- 48.31 |

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 is 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, 2021 would have increased/decreased by ₹ +/- 83.99 Lakhs (previous year: increase/decrease by ₹78.16 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 credit worthiness 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 2021 | As at 31st March 2020 | |
| As at beginning of the year | 16.53 | 11.66 | |
| Allowance for doubtful receivables based on Expected Credit Loss (ECL) | 2.76 | 5.10 | |
| Transfer to the statement of Profit and Loss | 0.12 | 0.23 | |
| Balance at end of the year | 19.17 | 16.53 | |
| ii) Revenue generated from top five customers. | | | |
| - Amount of Sales | 8374.58 | 22183.35 | |
| - % of total sales of paper | 25.66 | 45.32 | |

Trade Receivables

Out of the Trade receivables, ₹1260.22 lakhs as at 31st March 2021 (₹1855.61 lakhs as at 31st March 2020) 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 2021 | As at 31st March 2020 | |
| Not Due | 1834.50 | 1592.39 | |
| 0 - 6 months past due | 497.57 | 982.23 | |
| More than 6 months past due | 300.49 | 218.82 | |
| Total Trade receivables | 2632.56 | 2793.44 | |

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 financial 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, 2021 ₹3092.76 lakhs (as at 31st March, 2020 ₹2996.96 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 2021 | As at 31st March 2020 |
| FINANCIAL LIABILITIES | | |
| Borrowings | | |
| 0-1 years | 2451.61 | 2148.66 |
| 2-3 years | 2043.81 | 2012.17 |
| 3-5 years | 648.66 | 906.79 |
| More than 5 years | - | - |
| Trade Payables | | |
| 0-1 years | 4325.86 | 4736.21 |
| 2-3 years | - | - |
| 3-5 years | - | - |
| More than 5 years | - | - |
| Other Financial Liabilities | | |
| 0-1 years | 3571.35 | 3140.25 |
| 2-3 years | 128.63 | 116.34 |
| 3-5 years | 44.83 | 44.20 |
| More than 5 years | 11.16 | 24.18 |
| FINANCIAL ASSETS | | |
| Investments | | |
| 0-1 years | 8398.63 | 7142.21 |
| 2-3 years | - | - |
| 3-5 years | - | - |
| More than 5 years | 98.00 | 75.86 |
| Trade Receivables | | |
| 0-1 years | 2613.39 | 2776.91 |
| 2-3 years | - | - |
| 3-5 years | - | - |
| More than 5 years | - | - |
| Cash and Cash Equivalents | | |
| 0-1 years | 12.67 | 18.03 |
| 2-3 years | - | - |
| 3-5 years | - | - |
| More than 5 years | - | - |
| Bank Balances | | |
| 0-1 years | 541.51 | 446.53 |
| 2-3 years | - | - |
| 3-5 years | - | - |
| More than 5 years | - | - |
| Loans | | |
| 0-1 years | 31.59 | 244.66 |
| 2-3 years | 2.84 | 5.61 |
| 3-5 years | - | - |
| More than 5 years | - | - |
| Other financial assets | | |
| 0-1 years | 307.52 | 222.46 |
| 2-3 years | 13.26 | 61.75 |
| 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 2021 | 31st March 2020 | |
| Current Investments | | | |
| Fair Value through OCI (Equity instruments designated upon initial recognition) | - | - | - |
| Fair Value through Profit and Loss | 8398.63 | 7142.21 | Level 2 |
| Non-Current Investments | | | |
| Fair Value through Profit and Loss | 45.70 | 23.70 | Level 1 |
| Fair Value through Profit and Loss | 52.30 | 52.16 | Level 3 |
| Other financial non current assets | | | |
| - Derivative financial instruments | 1.07 | - | Level 2 |
| Other financial current liabilities | | | |
| - Derivative financial instruments | - | (13.73) | 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. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuer will redeem such units for the investor.

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, 2019 | 50.76 |
| Purchases | - |
| Gain/ (loss) recognised in statement of Profit/Loss | 1.40 |
| As at March 31, 2020 | 52.16 |
| Purchases | - |
| Gain/ (loss) recognised in statement of Profit/Loss | 0.14 |
| As at March 31, 2021 | 52.30 |

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 : May 11, 2021

SHREYANS INDUSTRIES LIMITED

Regd. Office: Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123
 Tel. No. 0161-2685270, 98761-00948, CIN- L17115PB1979PLC003994
 Website : www.shreyansgroup.com, Email : atl@shreyansgroup.com

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

I/We, being the member(s) of Shares of Shreyans Industries Limited, hereby appoint:

1. Name :
2. Address :
3. E-mail Id :
4. Signature :, or failing him/her

1. Name :
2. Address :
3. E-mail Id :
4. Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual general meeting of the company, to be held on Tuesday, the 31st day of August, 2021 At 11.00 a.m. at registered office of the company at Village: Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- 1 2 3
- 4 5

Signed this..... day of 2021

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp here

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

.....

**SHREYANS INDUSTRIES LIMITED
ATTENDANCE SLIP**

I here by record my presence at the 41st ANNUAL GENERAL MEETING of the Company being held on Tuesday, the 31st August, 2021 at 11.00 a.m. at the Registered Office of the Company Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123

.....
Full Name of the Shareholder
(IN BLOCK LETTERS)

Signature

Folio No

Client ID.

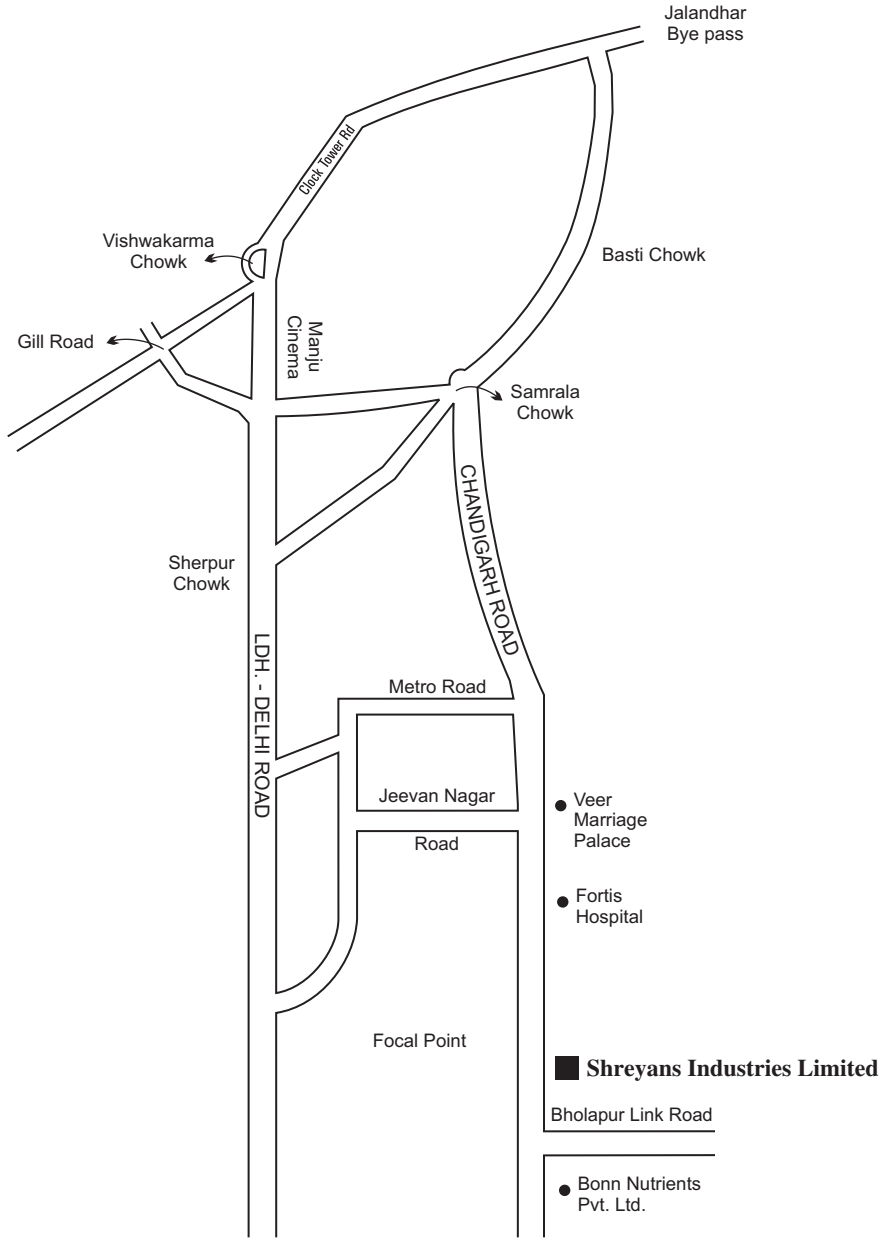
Full Name of Proxy
(IN BLOCK LETTERS)

D. P. ID.

- NOTE :**
1. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
 2. A proxy need not be a member.

Route map to the venue of the AGM

Venue : **Shreyans Industries Ltd.**
Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana



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If undelivered, please return to :

SHREYANS INDUSTRIES LIMITED

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