

Independent Auditor's Report
To the Members of SARDHANA PAPERS PRIVATE LIMITED,
MEERUT

Report on the Financial Statements

We have audited the accompanying financial statements of **SARDHANA PAPERS PRIVATE LIMITED, MEERUT** ("the Company") which comprise the Balance sheet as at **31 March 2021**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and cash flows for the year ended on that date.

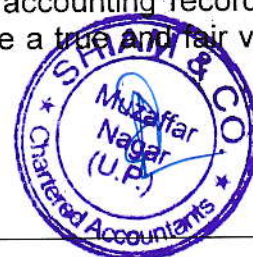
Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

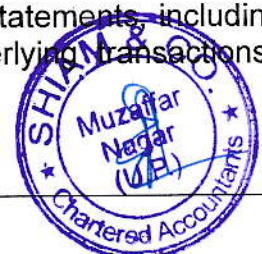
The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on **31 March 2021**, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of section 164 (2) of the Act, and
 - f. with respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, being the company is private limited company hence the provisions of Section 197(16) of the Act are not applicable, and



- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32 to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There is no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

Dated: 23.07.2021
Place: Muzaffarnagar



For **SHIAM & CO.**,
Chartered Accountants,
Firm Regn. No. 000030C

Rajesh

Rajesh Kumar Jain
Partner
Membership No. 073352
UDIN: 21073352 AAAACH 6579

ANNEXURE "A" TO THE AUDITORS' REPORT

The Annexure "A" referred to in our report to the members of **SARDHANA PAPERS PRIVATE LIMITED, MEERUT**, ('the Company') for the year ended 31 March 2021. On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) According to the information and explanations given to us, physical verification of property, plant & equipment have been carried out by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its assets.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventory has been physical verified at reasonable intervals by the management during the year. As explained to us, no material discrepancies were noticed on physical verification as compared to book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, 2013, in respect of the activities carried on by the Company.
- (vii) (a) According to the records of company and information and explanation given to us, the company is regular in depositing undisputed statutory dues including, provident fund employees' state insurance, income-tax, duty of customs, goods and service tax and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.



- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks or financial institutions. The Company has not taken any loan from Government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the company has neither raised any money by way of initial public offer or further public offer (including debt instrument). The Company has taken term loan from bank and have been applied to the purpose for which they were raised.
- (x) According to information and explanation given to us, no fraud 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 information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company.
- (xiii) In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to information and explanation given to us by the management, the company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For **SHIAM & CO.**,
Chartered Accountants,
Firm Regn. No. 000030C

Rajesh

Rajesh Kumar Jain

Partner

Membership No.073352

UDIN: 21073352AAACH6579

Dated: 23.07.2021
Place: MUZAFFARNAGAR

ANNEXURE "B" TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **SARDHANA PAPERS PRIVATE LIMITED, MEERUT** ('the company') as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

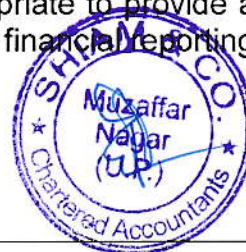
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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.



Dated: 23.07.2021
Place: MUZAFFARNAGAR

For **SHIAM & CO.**,
Chartered Accountants,
Firm Regn. No. 000030C

A handwritten signature in blue ink, appearing to read "Rajesh Kumar Jain".

Rajesh Kumar Jain
Partner
Membership No. 073352
UDIN: 21073352 AAAA CH 6579

SARDHANA PAPERS PRIVATE LIMITED, SARDHANA
BALANCE SHEET AS AT 31st MARCH 2021

Particulars	Note No.	(Amount in ₹)	
		As at 31.03.2021	As at 31.03.2020
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	150,000,000	150,000,000
Reserve and surplus	3	295,653	(5,897,474)
		<u>150,295,653</u>	<u>144,102,526</u>
Non-current liabilities			
Long-term borrowings	4	67,241,672	29,634,761
Other long-term liabilities	5	101,583,000	111,900,000
Deferred tax liabilities (net)	6	10,492,000	8,249,000
		<u>179,316,672</u>	<u>149,783,761</u>
Current liabilities			
Short-term borrowings	7	114,341,085	154,918,943
Trade payable	8	12,598,225	16,416,007
Other current liabilities	9	47,735,251	28,716,190
Short-term provisions	10	72,607	26,002
		<u>174,747,168</u>	<u>200,077,142</u>
TOTAL		<u>504,359,493</u>	<u>493,963,429</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	11	253,152,266	248,350,478
Capital work in progress		1,005,000	875,729
Long-term loans and advances	12	9,677,041	1,700,000
Other non-current assets	13	8,477,380	7,152,350
		<u>272,311,687</u>	<u>258,078,557</u>
Current assets			
Inventories	14	128,387,870	119,854,536
Trade receivable	15	97,128,353	90,993,953
Cash and bank balances	16	606,354	386,028
Short-term loans and advances	17	5,925,229	24,650,355
		<u>232,047,806</u>	<u>235,884,872</u>
TOTAL		<u>504,359,493</u>	<u>493,963,429</u>

The accompanying notes form an integral part of the Financial Statements.


Saurabh Gupta
Director
DIN : 01075042


Shiva Rastogi
Director
DIN : 08306873


Sahaj
Company Secretary
PAN:-KFHPS5920D



In terms of our separate
report of even date
For SHIAM & CO.,
Chartered Accountants,
Firm Regn. No. 000030C


Rajesh Kumar Jain
Partner

Membership No. 073352
UDIN: 21073352 A A A A C H 6579

DATED : 23.07.2021
PLACE : MUZAFFARNAGAR

SARDHANA PAPERS PRIVATE LIMITED, SARDHANA
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

(Amount in ₹)

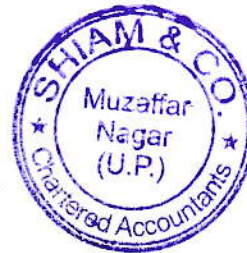
Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
INCOME			
Revenue from operations			
Sales	18	777,802,193	673,919,450
Other operating revenues		579,150	105,890
Other Income	19	184,668	433,116
Total income		778,566,011	674,458,456
EXPENSES			
Purchase of traded goods		2,195,593	14,650,903
Cost of material consumed	20	463,503,748	371,535,807
Changes in inventories of finished goods and stock-in-process	21	(2,730,800)	(509,194)
Employee benefits expense	22	15,506,058	18,252,430
Finance costs	23	20,723,910	24,528,390
Depreciation	11	12,840,580	12,310,069
Other expenses	24	258,033,142	233,435,047
Total expenses		770,072,231	674,203,452
Profit before tax		8,493,780	255,004
Tax expense			
Current tax		1,331,578	39,780
MAT credit entitlement		(1,325,030)	(39,780)
Deferred tax		2,243,000	144,000
Tax relating to earlier year		51,105	920
Profit after tax		6,193,127	110,084
Earning per equity share (basic & diluted)		0.41	0.01

The accompanying notes form an integral part of the Financial Statements.



Saurabh Gupta
Director
DIN : 01075042


Shiva Rastogi
Director
DIN : 08306873


Sahaj
Company Secretary
PAN:-KFHPS5920D



In terms of our separate report of even date
For SHIAM & CO.,
Chartered Accountants,
Firm Regn. No. 000030C


Rajesh Kumar Jain
Partner
Membership No. 073352
UDIN: 21073352AAAACH6579

DATED : 23.07.2021
PLACE : MUZAFFARNAGAR

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET**FOR THE YEAR ENDED 31st MARCH 2021****(Amount in ₹)****2020-21****2019-20****A CASH FLOW FROM OPERATING ACTIVITIES:****Net Profit before Tax**

8,493,780

255,004

Adjustment for:

Depreciation

12,840,580

12,310,069

Loss/(profit) on sales of property, plant and equipment

465,228

Finance charges

20,723,910

34,029,718

24,528,390

36,838,459

42,523,498

37,093,463

Operating profit before working capital changes**Adjustment for:**

Trade and other receivables

12,590,726

22,231,177

Inventories

(8,533,334)

(5,476,312)

Trade payable

(25,329,974)

(14,723,742)

2,031,123

Cash generated from operations

21,250,916

39,124,586

Finance charges

(20,723,910)

(24,528,391)

Taxes paid

(57,653)

(920)

(24,529,311)

Cash flow from operating activities

469,353

14,595,275

B CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of property, plant and equipment

(18,436,867)

(25,503,351)

(including capital work in progress)

200,000

Sales of property, plant and equipment

(9,302,071)

(27,538,938)

(39,779)

(25,543,130)

Movement in loans and advances

(27,069,585)

(10,947,855)

Net cash used in investing activities

C CASH FLOW FROM FINANCING ACTIVITIES:

Issue of share capital

Borrowings/(repayment) of loans

27,289,911

27,289,911

9,924,127

9,924,127

220,326

(1,023,728)

Cash and bank balance as at 31.03.2020

386,028

1,409,756

Cash and bank balance as at 31.03.2021

606,354

(220,326)

386,028

1,023,728

(220,326)

1,023,728

The accompanying notes form an integral part of the Financial Statements.


Saurabh Gupta
Director
DIN : 01075042


Shiva Rastogi
Director
DIN : 08306873


Sahaj
Company Secretary
PAN:-KFHPS5920D



In terms of our separate report of even date
For SHIAM & CO.,
Chartered Accountants,
Firm Regn. No. 000030C


Rajesh Kumar Jain
Partner

Membership No. 073352
UDIN: 21073352 AAAACH 6579

DATED : 23.07.2021
PLACE : MUZAFFARNAGAR

1. SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of preparation of financial statements

- (i) The financial statements are prepared on the historical cost convention basis in accordance with the generally accepted accounting principles.
- (ii) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

(2) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statement and notes thereto. Differences between actual and estimates are recognized in the period in which the results are known/ materialized.

(3) Valuation of inventories

Inventories are valued at the lower of the cost and estimated net realisable value. The Basis of determining of cost for various categories of Inventories are as follows:-

-Raw Material, Chemicals, Fuels, Store & Spares and Packing Material. On Weighted Average/ FIFO basis.

-Finished Goods and Work in Process includes Raw Material Cost, Cost of conversion and other costs in bringing the inventories to their present location and conditions.

(4) Revenue Recognition

I Sales of Goods : Revenue from sale of goods is recognized :-

- i. When the significant risks and rewards of ownership have been transferred to buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership.
- ii. No significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods.

II Interest Income : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(5) Goods and Service Tax (GST)

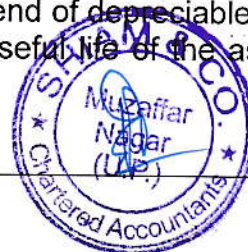
GST has been accounted for at the time of supply of goods and service hence no provision has been made for the goods lying in the bonded warehouses. Amount of Input tax credits in respect of material consumed is deducted from cost of material.

(6) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Cost includes installation charges and expenditure during construction period wherever applicable.

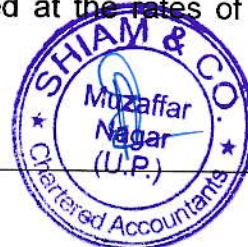
(7) Depreciation

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on straight line method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.



- (8) Employee Retirement Benefit
Provident Fund is deposited with appropriate authorities. Leave Encashment and gratuity are accounted for on cash basis.
- (9) Borrowing cost
Borrowing cost directly attributable to the acquisition or constructions of property, plant & equipment are capitalised as part of the cost of assets, upto the date of assets is put to use. Other borrowing cost are charged to the profit and loss account in which they are incurred.
- (10) Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.
- (11) Taxes on Income
(a) Current Tax
Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
(b) Deferred Tax Provision
Deferred Tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).
- (12) Foreign Currency Transactions
(i) All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transaction takes place.
(ii) Monetary items in the terms of loans, Current assets and current liabilities in foreign currency, outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the balance sheet. Resultant gain or loss is accounted for during the year.
(iii) In respect of forward exchange contracts entered in to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets/liabilities. Further in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations/renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transaction take place



(13) Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.



2 Share Capital

(Amount in ₹)

Authorised, issued, subscribed and paid-up share capital and par value per share

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised share capital		
1,50,00,000 equity shares of Rs. 10/- each	150,000,000	150,000,000
Issued, subscribed and paid-up share capital		
1,50,00,000 Equity Shares of Rs.10/- each fully Paidup	150,000,000	150,000,000
Total	150,000,000	150,000,000

The company has only equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation of the company, the holders of shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of equity shares outstanding at the beginning and end of the year

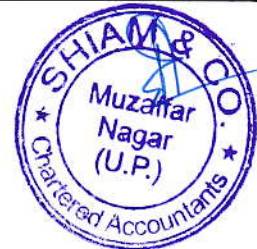
Number of shares outstanding as at the beginning and end of the year	15,000,000	15,000,000
--	------------	------------

Shares in the company held by each shareholder holding more than 5% shares

SL. No.	Name of the shareholder	Number of shares as on 31.03.2021	% of Holding	Number of shares as on 31.03.2020	% of Holding
1	Shri Sanjay Rastogi	937,500	6.25%	2,000,000	13.33%
2	Smt Rubee Rastogi	937,500	6.25%	1,750,000	11.67%
3	Shri Krishan Avtar Rastogi	937,500	6.25%	-	-
4	Smt Sashi Bala Rastogi	937,500	6.25%	-	-
5	M/s Ghyanshyam Papers (P) Ltd	1,474,400	9.83%	1,474,400	9.83%
6	Shri Neeraj Gupta	1,318,566	8.79%	1,318,566	8.79%
7	Shri Kailash Chand Gupta	1,250,000	8.33%	1,250,000	8.33%
8	Shri Subhash Chand Gupta	1,250,000	8.33%	1,250,000	8.33%
9	Smt Raj Bala Gupta	1,250,000	8.33%	-	-
10	Shri Dayanand Gupta	-	0.00%	1,250,000	8.33%
11	Shri Mayank Gupta	975,000	6.50%	975,000	6.50%
12	Kumari Palak	975,000	6.50%	975,000	6.50%

3 Reserve and surplus

(a) <u>General reserve</u>		
As per last balance sheet	1,681,361	1,681,361
(b) <u>Surplus</u>		
Opening balance	(7,578,835)	(7,688,919)
Add : Addition during the year	6,193,127	110,084
	(1,385,708)	(7,578,835)
Total (a+b)	295,653	(5,897,474)



4 Long term borrowings**Secured borrowings**

Term loans from banks

25,607,550

3,286,662

Unsecured borrowings

From director relatives

14,130,212

15,408,650

From bodies corporate

24,418,530

10,939,449

Security deposits

3,085,380

-

Total**67,241,672****29,634,761**

- i Term loan from Punjab National Bank , is secured against hypothecation of plant & machinery and mortgage of immovable properties of the company (both present & future) and personal guarantee of the directors of the company.

From Punjab National Bank (for Term loan of Rs 95,00,000)

At the rate of (MCLR+0.50%) p.a. Repayable in 18 monthly installment of Rs. 5,27,778/- each starting from December, 2020.

- ii Working Capital Term loan from Punjab National Bank , is secured against hypothecation of plant & machinery and mortgage of immovable properties of the company (both present & future) and personal guarantee of the directors of the company.

From Punjab National Bank (for Term loan of Rs 3,40,00,000)

At the rate of (RLLR+1.00%) p.a. Repayable in 36 monthly installment of Rs. 9,44,445/- each starting from June, 2021.

5 Other long-term liabilities

Deferred trade payable

101,583,000

111,900,000

Total**101,583,000****111,900,000****6 Deferred tax liability (net)**

- (a) Deferred tax liability

Related to property, plant and equipment

35,911,000

34,177,000

Total (a)

35,911,000

34,177,000

- (b) Deferred tax assets

Unabsorbed losses

25,419,000

25,928,000

Total (b)

25,419,000

25,928,000

TOTAL (a-b)**10,492,000****8,249,000****7 Short-term borrowings****Secured borrowings**

Working capital loans

114,341,085

154,918,943

Total**114,341,085****154,918,943**

Working capital loan from Punjab National Bank, is secured against hypothecation of stock in trade and book debts of the company (both present & future) and personal guarantee of the directors of the company and also secured by way of first charge on block assets (present & future) of the company.

8 Trade payable

Trade payables

12,598,225

16,416,007

Total**12,598,225****16,416,007****9 Other current liabilities**

Current maturities of long term debt

15,775,288

12,345,361

Interest accrued and due on borrowings

-

1,479,791

Cheques payable

8,115,801

1,710,359

Advance from customers

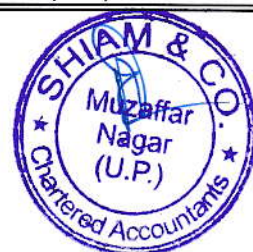
883,096

691,803

Other payables

22,961,066

12,488,876

Total**47,735,251****28,716,190**

Note No.: 11

Property, plant and equipment

(Amount in ₹)

PARTICULARS	GROSS CARRYING AMOUNT			DEPRECIATION			CARRYING AMOUNT			
	AS AT 01.04.2020	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31.03.2021	UPTO 01.04.2020	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2021	AS ON 31.03.2021	AS ON 31.03.2020
LAND	16,120,016	-	-	16,120,016	-	-	-	-	16,120,016	16,120,016
BUILDING	17,898,493	1,946,168	-	19,844,661	12,124,879	505,282	-	12,630,161	7,214,500	5,773,615
PLANT & MACHINERY	396,476,485	16,186,056	-	412,662,541	171,430,481	12,054,745	-	183,485,226	229,177,315	225,046,005
FURNITURE & FIXTURE	122,079	68,000	-	190,079	120,904	2,153	-	123,057	67,022	1,175
VEHICLES	2,675,263	-	1,897,180	778,083	1,584,805	168,499	1,231,952	521,352	256,731	1,090,458
COMPUTER	820,284	18,600	-	838,884	703,081	55,964	-	759,045	79,839	117,203
OFFICE EQUIPMENTS	854,805	88,772	-	943,577	652,797	53,937	-	706,734	236,843	202,008
TOTAL Rs.	434,967,425	18,307,596	1,897,180	451,377,841	186,616,947	12,840,580	1,231,952	198,225,575	253,152,266	248,350,478
Previous Year Figures	410,339,802	24,627,622	-	434,967,425	174,306,878	12,310,069	-	186,616,947	248,350,478	236,032,925



10 Short term provision

Income tax

Total

72,607

26,002

72,607**26,002****12 Long-term loans and advances**

Unsecured, considered good

Security deposits

Total

9,677,041

1,700,000

9,677,041**1,700,000****13 Other non-current assets**

Unsecured, considered good

MAT credit entitlement

Total

8,477,380

7,152,350

8,477,380**7,152,350****14 Inventories**

Raw materials

Stock-in-process

Finished goods

Consumable stores

Packing material

Chemicals

Chemicals in transit

Fuel

Total

94,992,908

61,642,307

980,000

-

5,518,541

3,767,741

21,500,000

17,750,000

844,583

637,027

2,977,553

23,407,713

120,000

240,000

1,454,285

12,409,748

128,387,870**119,854,536****15 Trade receivables**

Unsecured, considered good

Trade receivables outstanding for more than six months from the date they became due for payment:

Others

Total

6,362,861

7,329,082

90,765,492

83,664,871

97,128,353**90,993,953****16 Cash and bank balance****Balance with Banks****Bank balances held as margin money or as security against:**

FDR (earmarked)

Other bank balances

Cheques in hand

Cash in hand**Total**

216,811

200,000

-

46,509

-

18,934

389,543

120,585

606,354**386,028****17 Short-term loans and advances**

Unsecured, considered good

Balance with revenue authorities

Advance to suppliers

Income taxes recoverable

Others

Total

217

199

1,073,729

20,290,612

3,926,295

3,926,295

924,988

433,249

5,925,229**24,650,355**

18 Revenue from operations			
Sale of products -			
Kraft paper		703,521,777	629,237,131
Waste paper		71,679,135	29,944,508
Other		289,676	322,720
Trading		2,311,605	14,415,091
Total		777,802,193	673,919,450
19 Other income			
Interest received		16,811	106,250
Government grant		167,857	326,866
Total		184,668	433,116
20 Cost of material consumed			
Particulars			
Opening stock		61,642,307	59,814,480
Add:-Purchases		496,854,349	373,363,634
		558,496,656	433,178,114
Less- Closing stock		94,992,908	61,642,307
Total		463,503,748	371,535,807
Details of raw material consumed			
Waste paper (indian)		463,503,748	371,535,807
		463,503,748	371,535,807
21 Changes in inventories of finished goods and stock-in-process			
<u>Opening stock</u>			
Finished goods		3,767,741	2,467,547
Stock in process		-	791,000
Total (a)		3,767,741	3,258,547
<u>Closing stock</u>			
Finished goods		5,518,541	3,767,741
Stock in process		980,000	-
Total (b)		6,498,541	3,767,741
Total (a-b)		(2,730,800)	(509,194)
22 Employee benefit expense			
Salaries & wages		11,482,170	13,268,748
Salary to directors'		920,968	1,575,000
Staff welfare		87,208	17,934
Watch & ward		1,121,385	1,090,358
Provident fund		1,000,972	1,223,705
E.S.I.C.		241,601	315,500
Bonus		651,754	761,185
Total		15,506,058	18,252,430
23 Finance costs			
<u>Interest on :</u>			
Term loans		409,854	2,265,689
Bank borrowings & others		18,907,674	18,898,915
Unsecured borrowings		1,022,541	2,418,834
Bank charges & others		383,841	944,952
		20,723,910	24,528,390
Less:-Amount included in capital work in progress		-	-
Total		20,723,910	24,528,390



24 Other expenses**Manufacturing**

Chemicals	86,959,567	64,424,539
Power & fuel	111,597,184	118,025,135
Packing material	5,797,387	7,907,290
Consumable stores	31,203,169	18,536,840
Total (a)	235,557,307	208,893,804

Administrative overhead

Printing & stationery	55,055	185,755
Postage expenses	34,208	35,318
Telephone expenses	128,658	131,392
Professional charges	770,545	402,062
Rates & taxes	345,653	266,265
Travelling expenses	25,200	23,317
Auditors remuneration	90,000	90,000
Insurance	1,156,233	829,900
Vehicle running & maintenance	163,356	260,442
Repairs - factory building	1,449,387	450,205
Loss on sale of property, plant and equipment	465,228	-
Donation	11,000	-
E.T.P. running & maintenance	134,513	480,057
Miscellaneous expenses	231,820	104,608
Total (b)	5,060,856	3,259,321

Selling & forwarding :

Discount & forwarding charges	16,212,924	17,683,033
Commission on sales	1,202,055	3,598,889
Total (c)	17,414,979	21,281,922
Total (a-b-c)	258,033,142	233,435,047



25 Value of Imports (C.I.F.) Value in respect of		(Amount in ₹)	
Particulars	As at 31.03.2021	As at 31.03.2020	
(a) Raw materials	NIL	NIL	
(b) Capital goods	NIL	NIL	
(c) Chemical	NIL	NIL	
(d) Consumable stores	2,595,210	863,599	
26 Expenditure in foreign currency	NIL	NIL	
27 Remittance in foreign currency	2,595,210	863,599	
28 Earning in foreign currency	NIL	NIL	

29 Consumption of imported and indigenous raw materials, stores & spare parts etc :

Particulars	As at 31.03.2021		As at 31.03.2020	
	(Amount in ₹)	PERCENTAGE	(Amount in ₹)	PERCENTAGE
1. Raw material (indigenous)	463,503,748	100%	371,535,807	100%
2. Consumable stores				
Indigenous	29,688,809	95.15%	17,538,655	94.62%
Imported	1,514,360	4.85%	998,185	5.38%
Total Rs.	31,203,169		18,536,840	
3. Chemicals (indigenous)	86,959,567	100%	64,424,539	100%
4. Packing material (indigenous)	5,797,387	100%	7,907,290	100%

30 Earning per shares (EPS):-

Particulars	As at 31.03.2021	As at 31.03.2020
Profit attributable to the shareholders (Rs.in lacs)	6,193,127	110,084
Basic/weighted average number of equity shares outstanding during the year	15,000,000	15,000,000
Nominal value of equity shares (Rs.)	10	10
Basic/diluted earning per shares (Rs.)	0.41	0.01

31 Payment to auditors:-

	As at 31.03.2021	As at 31.03.2020
Audit fee	70,000	70,000
Tax audit fee	20,000	20,000
Total	90,000	90,000

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

Contingent liabilities

Particulars	As at 31.03.2021		As at 31.03.2020	
	(Demand in ₹)	(Deposit in ₹)	(Demand in ₹)	(Deposit in ₹)
Sales tax	215,782	215,782	215,782	215,782

Particulars	As at 31.03.2021	As at 31.03.2020
Bank guarantees	200,000	200,000

Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for

NIL

NIL

33 Related party disclosures:-

a Key management personnel

1. Shri Neeraj Gupta
2. Shri Saurabh Gupta (Whole Time Director)
3. Sahaj (Company Secretary)

Companies controlled by directors/relatives

1. Ghanshyam Papers (P) Ltd.



b Related party transactions:-

Sr. No.	Name of the related parties and relationship	Key management personnel/relatives	
		As at 31.03.2021	As at 31.03.2020
1	Salary	1,040,968	1,830,000
2	Professional charges	525,000	-
3	Unsecured loans repayment	2,583,438	7,086,991
4	Interest	138,030	352,404
5	Unsecured loans received	1,280,000	1,720,000
6	Outstanding balance	17,913,202	19,092,413

34 Since the company operates mainly in a single segment i.e. "Paper & Paper Board", Accounting Standard (AS) 17- "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

35 Balances of trade receivables, trade payable and advances as at 31st March, 2021 are subject to confirmation.

36 Keeping in view of the provisions of section 115JB of Income Tax Act, 1961, provision for Income Tax (MAT) has been made.

37 Impact of Covid-19

During the year the operations of company were fully suspended from 1st April, 2020 to 7th May, 2020. The operations of the company partially started from 7th May, 2020. After that the company gradually ramped up the production activities as per the directions / regulations / guidelines issued by Government and local bodies to ensure safety of employees in its office. Due to the shutdown of plant and manufacturing activities of the company during the lockdown period, the liquidity and profitability of the Company has been affected. As the CoVID19 pandemic is still evolving and the virus is still spreading in various parts of India, the future impact of the pandemic on the overall operations and financials of the Company cannot be assessed with certainty.

38 Based on the intimation received by the company from its suppliers regarding their status under the Micro small and Medium Enterprises Development Act, 2006, the relevant information is provided here below :

S.N o.	PARTICULARS	As at 31.03.2021	As at 31.03.2020
A.	Amounts due to Micro, Small and Medium enterprises as on 31.03.2021		
	(i) Principal amount	580,642	136,195
	(ii) Interest due on above	NIL	NIL
B.	(i) Principal amount paid after due date or appointed day during the year	NIL	NIL
	(ii) Interest paid during the year on (i) above	NIL	NIL
C.	Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day.	NIL	NIL
D.	Total Interest accrued and remaining unpaid as on 31.03.2021	NIL	NIL
E.	Further interest in respect of defaults of earlier year due and payable in current year upto the date when actually paid.	NIL	NIL

39 In the opinion of the board of directors, current assets, loans and advances have value on realisation in the ordinary course of the business at least equal to the amount at which they have been stated in the Balance Sheet as at 31.03.2021.

40 Previous year figures have been re-arranged and re-grouped wherever necessary. Figures have been rounded off to nearest rupee.

The accompanying notes form an integral part of the financial statements.


Saurabh Gupta
Director
DIN : 01075042


Shiva Rastogi
Director
DIN : 08306873


Sahaj
Company Secretary
PAN:-KFHPS5920D



In terms of our separate report of even date
For SHIAM & CO.,
Chartered Accountants,
Firm Regn. No. 000030C


Rajesh Kumar Jain
Partner
Membership No. 073352
UDIN: 21073352 AAAACH 6579

DATED : 23.07.2021
PLACE : MUZAFFARNAGAR