

**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 2020**, 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, 2020, its profit and cash flows for the year ended on that date.

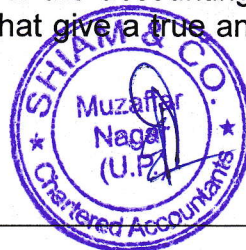
Basis for opinion

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.

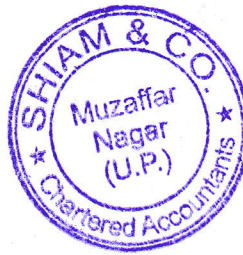
Report on Other Legal and Regulatory Requirements

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 2020**, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, 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 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.

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




Rajesh Kumar Jain
Partner

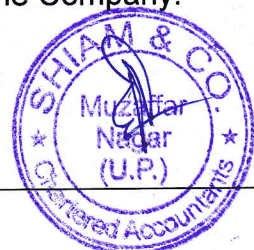
Membership No.073352
UDIN:20073352AAAACY8961

Dated: 24.08.2020
Place: Muzaffarnagar

ANNEXURE 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 2020. 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 fixed assets.
- (b) According to the information and explanations given to us, physical verification of fixed assets 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) In our opinion and according to the information and explanations given to us, the inventory except goods in transit has been physically verified by the management during the year, based on planned cyclical count procedures. In our opinion, the frequency of such verification is reasonable. However, due to the lockdown restrictions issued by the Central and State Government following the Covid'19 pandemic, the company could not carried out physical verification of inventory as at the reporting date. The physical verification of inventory was done by the management subsequent to the balance sheet date on partial lifting of the lockdown. We have relied on the management in this regard, since we could not observe the physical inventory verification because of the travel restrictions imposed due to Covid'19. We have performed roll backward procedures based on the management physical verification of inventory subsequent to the balance sheet date to reconcile with the book stock as at the reporting date. According to the information and explanations given to us and based on the alternative procedures performed as aforesaid, no material discrepancies were noticed on such verification.
- (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 31.03.2020 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) and nor obtained any term loans during the year.
- (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.



Dated: 24.08.2020
Place: MUZAFFARNAGAR

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

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

Rajesh Kumar Jain
Partner
Membership No.073352
UDIN:20073352AAAACY8961

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 2020 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

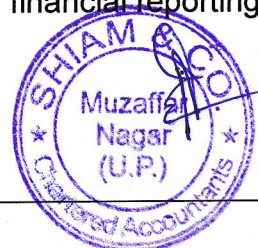
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

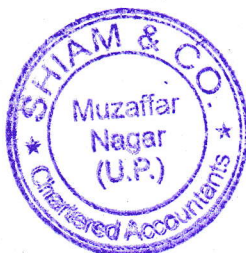
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Dated: 24.08.2020
Place: MUZAFFARNAGAR

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

A handwritten signature in blue ink, appearing to read 'Rajesh'.

Rajesh Kumar Jain
Partner
Membership No.073352
UDIN:20073352AAAACY8961

SARDHANA PAPERS PRIVATE LIMITED, SARDHANA
BALANCE SHEET AS AT 31st MARCH 2020

(Amount in ₹)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	150,000,000.00	150,000,000.00
Reserve and surplus	3	(5,897,474.04)	(6,007,557.97)
		<u>144,102,525.96</u>	<u>143,992,442.03</u>
Non-current liabilities			
Long-term borrowings	4	29,634,760.81	58,010,634.30
Other long-term liabilities	5	111,900,000.00	73,600,000.00
Deferred tax liabilities (net)	6	8,249,000.00	8,105,000.00
		<u>149,783,760.81</u>	<u>139,715,634.30</u>
Current liabilities			
Short-term borrowings	7	154,918,942.78	153,109,333.56
Trade payable	8	16,416,006.92	23,104,416.77
Other current liabilities	9	28,716,189.54	38,587,132.81
Short-term provisions	10	26,001.61	-
		<u>200,077,140.85</u>	<u>214,800,883.14</u>
TOTAL		<u>493,963,427.62</u>	<u>498,508,959.47</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	11	248,350,477.88	236,032,924.65
Capital work in progress		875,728.62	-
Long-term loans and advances	12	1,700,000.00	1,700,000.00
Other non-current assets	13	7,152,350.00	7,112,571.00
		<u>258,078,556.50</u>	<u>244,845,495.65</u>
Current assets			
Inventories	14	119,854,535.75	114,378,222.74
Trade receivable	15	90,993,952.75	126,868,609.00
Cash and bank balances	16	386,027.72	1,409,756.33
Short-term loans and advances	17	24,650,354.90	11,006,875.75
		<u>235,884,871.12</u>	<u>253,663,463.82</u>
TOTAL		<u>493,963,427.62</u>	<u>498,508,959.47</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

DATED : 24.08.2020
PLACE : MUZAFFARNAGAR



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:20073352AAAACY8961

SARDHANA PAPERS PRIVATE LIMITED, SARDHANA
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
INCOME			
Revenue from operations			
Sales (Gross)	18	673,919,449.77	701,300,878.40
Other operating revenues		105,890.00	31,840.00
Other Income	19	433,116.00	680,091.80
Total income		674,458,455.77	702,012,810.20
EXPENSES			
Purchase of traded goods		14,650,903.10	130,311.50
Cost of material consumed	20	371,535,806.75	425,755,737.57
Changes in inventories of finished goods and stock-in-process	21	(509,194.50)	(901,772.50)
Employee benefits expense	22	18,252,430.00	15,453,848.51
Finance costs	23	24,528,390.83	29,744,407.51
Depreciation	11	12,310,068.93	11,613,512.38
Other expenses	24	233,435,046.73	211,312,004.54
Total expenses		674,203,451.84	693,108,049.51
Profit before tax		255,003.93	8,904,760.69
Tax expense			
Current tax		39,780.00	-
MAT credit entitlement		(39,780.00)	-
Deferred tax		144,000.00	1,400,000.00
Tax relating to earlier year		920.00	-
Profit after tax		110,083.93	7,504,760.69
Earnings per equity share (basic & diluted)		0.01	0.80

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

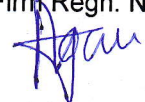

Saurabh Gupta
Director
DIN : 01075042


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



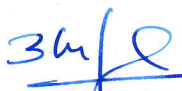

Rajesh Kumar Jain
Partner
Membership No. 073352
UDIN:20073352AAAACY8961

DATED : 24.08.2020
PLACE : MUZAFFARNAGAR

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET**FOR THE YEAR ENDED 31st MARCH 2020****(Amount in ₹)**

	2019-2020		2018-2019	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax		255,003.93		8,904,760.69
Adjustment for:				
Depreciation	12,310,068.93		11,613,512.38	
Loss/(profit) on sales of property, plant and equipment	-		(27,507.80)	
Finance charges	24,528,390.83	36,838,459.76	29,744,407.51	41,330,412.09
		37,093,463.69		50,235,172.78
Operating profit before working capital changes				
Adjustment for:				
Trade and other receivables	22,231,177.10		12,738,565.12	
Inventories	(5,476,313.01)		(25,605,821.07)	
Trade payable	(14,723,742.29)	2,031,121.80	(34,865,428.07)	(47,732,684.02)
Cash generated from operations		39,124,585.49		2,502,488.76
Finance charges	(24,528,390.83)		(29,744,407.51)	
Taxes paid	(920.00)	(24,529,310.83)	-	(29,744,407.51)
Cash flow from operating activities		14,595,274.66		(27,241,918.75)
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (including capital work in progress)	(25,503,350.78)		(10,781,972.00)	
Sales of property, plant and equipment	-		150,000.00	
Movement in loans and advances	(39,779.00)	(25,543,129.78)	18,300.00	(10,613,672.00)
Net cash used in investing activities		(10,947,855.12)		(37,855,590.75)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Issue of share capital	-		75,000,000.00	
Borrowings/(repayment) of loans	9,924,126.51	9,924,126.51	(38,640,249.78)	36,359,750.22
		(1,023,728.61)		(1,495,840.53)
Cash and bank balance as at 31.03.2019	1,409,756.33		2,905,596.86	
Cash and bank balance as at 31.03.2020	386,027.72	1,023,728.61	1,409,756.33	1,495,840.53
		1,023,728.61		1,495,840.53

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:20073352AAAACY8961

DATED : 24.08.2020
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 extend 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 construction of fixed assets 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 not 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 31.03.2020	As at 31.03.2019
Authorised share capital		
1,50,00,000 equity shares of Rs. 10/- each	150,000,000.00	150,000,000.00
Issued, subscribed and paid-up share capital		
1,50,00,000 Equity Shares of Rs.10/- each fully Paidup	150,000,000.00	150,000,000.00
Total	150,000,000.00	150,000,000.00

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 31.03.2020	% of Holding	Number of shares as on 31.03.2019	% of Holding
1	Shri Sanjay Rastogi	2,000,000	13.33%	2,000,000	13.33%
2	Smt Rubee Rastogi	1,750,000	11.67%	1,750,000	11.67%
3	M/s Ghyanshyam Papers (P) Ltd	1,474,400	9.83%	1,474,400	9.83%
4	Shri Neeraj Gupta	1,318,566	8.79%	1,318,566	8.79%
5	Shri Kailash Chand Gupta	1,250,000	8.33%	1,250,000	8.33%
6	Shri Subhash Chand Gupta	1,250,000	8.33%	1,250,000	8.33%
7	Shri Dayanand Gupta	1,250,000	8.33%	1,250,000	8.33%
8	Shri Mayank Gupta	975,000	6.50%	975,000	6.50%
9	Kumari Palak	975,000	6.50%	975,000	6.50%

3 Reserve and surplus

(a) <u>Securities premium reserve</u>		
As per last balance sheet	1,681,360.88	1,681,360.88
(b) <u>Surplus</u>		
Opening balance	(7,688,918.85)	(15,193,679.54)
Add : Addition during the year	110,083.93	7,504,760.69
	(7,578,834.92)	(7,688,918.85)
Total (a+b)	(5,897,474.04)	(6,007,557.97)



4 Long term borrowings		
Secured borrowings		
Term loans from banks	3,286,661.81	14,552,518.80
Unsecured borrowings		
From directors	-	1,208,712.00
From related parties	15,408,650.00	19,424,450.50
From bodies corporate	10,939,449.00	22,824,953.00
Total	29,634,760.81	58,010,634.30

- i Term loan from Oriental Bank of Commerce (Punjab National Bank w.e.f 01.04.2020), 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 Oriental Bank of Commerce (Punjab National Bank w.e.f 01.04.2020) (for term loan of Rs 60000000)

At the rate of (MCLR+2.00%) p.a. Repayable in 60 monthly installment of Rs. 10,00,000/- each starting from July, 2016

- ii Term loan from Punjab National Bank is secured against hypothecation of specific vehicle and personal guarantee of director of the Company.

From Punjab National Bank (for term loan of Rs 569000)

At the rate of 10.65% (Previous year 10.65% p.a.). Repayable in 84 monthly installment (with interest) of Rs.9638/- each, starting from November 2014.

From Oriental Bank of Commerce (Punjab National Bank w.e.f 01.04.2020) (for term loan of Rs.900000)

At the rate of 10.05% (Previous year 10.05% p.a.). Repayable in 60 monthly installment (with interest) of Rs.19035/- each, starting from August 2016.

5 Other long-term liabilities		
Deferred trade payable	111,900,000.00	73,600,000.00
Total	111,900,000.00	73,600,000.00

6 Deferred tax liability (net)

(a) Deferred tax liability		
Related to property, plant and equipment	34,177,000.00	31,625,000.00
Total (a)	34,177,000.00	31,625,000.00
(b) Deferred tax assets		
On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	-	145,000.00
Unabsorbed losses	25,928,000.00	23,375,000.00
Total (b)	25,928,000.00	23,520,000.00
TOTAL (a-b)	8,249,000.00	8,105,000.00

7 Short-term borrowings

Secured borrowings		
Working capital loans	154,918,942.78	153,109,333.56
Total	154,918,942.78	153,109,333.56

Working capital loan from Oriental Bank of Commerce, 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.

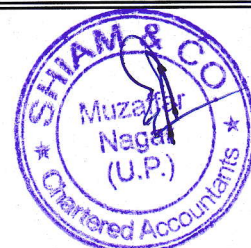
8 Trade payable

Trade payables	16,416,006.92	23,104,416.77
Total	16,416,006.92	23,104,416.77



Note No. : 11
Property, plant and equipment

9 Other current liabilities		
Current maturities of long term debt	12,345,361.00	12,344,076.00
Interest accrued and due on borrowings	1,479,791.00	-
Cheques payable	1,710,359.00	8,080,882.00
Advance from customers	691,802.54	3,026,725.81
Other payables	12,488,876.00	15,135,449.00
Total	28,716,189.54	38,587,132.81
10 Short term provision		
Income tax	26,001.61	-
Total	26,001.61	-
12 Long-term loans and advances		
Unsecured, considered good		
Security deposits	1,700,000.00	1,700,000.00
Total	1,700,000.00	1,700,000.00
13 Other non-current assets		
Unsecured, considered good		
MAT credit entitlement	7,152,350.00	7,112,571.00
Total	7,152,350.00	7,112,571.00
14 Inventories		
Raw materials	61,642,307.00	59,814,480.00
Raw material in transit	-	1,654,871.00
Stock-in-process	-	791,000.00
Finished goods	3,767,741.00	2,467,546.50
Consumable stores	17,750,000.00	18,000,000.00
Consumable store in transit	-	71,250.00
Packing material	637,027.00	1,658,655.00
Chemicals	23,407,712.55	16,339,705.24
Chemicals in transit	240,000.00	-
Fuel	12,409,748.20	13,580,715.00
Total	119,854,535.75	114,378,222.74
15 Trade receivables		
Unsecured, considered good		
Trade receivables outstanding for more than six months from the date they became due for payment:		
Others	7,329,082.00	12,283,394.00
	83,664,870.75	114,585,215.00
Total	90,993,952.75	126,868,609.00
16 Cash and bank balance		
Balance with Banks		
Bank balances held as margin money or as security against:		
FDR (earmarked)	200,000.00	-
Other bank balances	46,508.59	93,207.33
Cheques in hand	18,934.13	37,981.00
Cash in hand	120,585.00	1,278,568.00
Total	386,027.72	1,409,756.33



17 Short-term loans and advances

Unsecured, considered good
Balance with revenue authorities
Advance to suppliers
Income taxes recoverable
Others

Total

199.00	194.00
20,290,611.90	6,124,492.96
3,926,295.00	3,926,295.00
433,249.00	955,893.79
24,650,354.90	11,006,875.75

18 Revenue from operations**Sale of products -**

Kraft paper
Waste paper
Other
Trading

Total

629,237,130.77	677,299,118.40
29,944,508.00	24,001,760.00
322,720.00	-
14,415,091.00	-
673,919,449.77	701,300,878.40

19 Other income

Interest received
Profit on sale of property, plant and equipment
Government grant

Total

106,250.00	652,584.00
-	27,507.80
326,866.00	-
433,116.00	680,091.80

20 Cost of material consumed

Particulars
Opening stock
Add:-Purchases

Less- Closing stock

Total

59,814,480.00	71,262,926.00
373,363,633.75	414,307,291.57
433,178,113.75	485,570,217.57
61,642,307.00	59,814,480.00
371,535,806.75	425,755,737.57

Details of raw material consumed

Waste paper (indian)
Waste paper (imported)

371,535,806.75	415,886,137.27
-	9,869,600.30
371,535,806.75	425,755,737.57

21 Changes in inventories of finished goods and stock-in-processOpening stock

Finished goods
Stock in process

Total (a)

2,467,546.50	1,457,774.00
791,000.00	899,000.00
3,258,546.50	2,356,774.00

Closing stock

Finished goods
Stock in process

Total (b)**Total (a-b)**

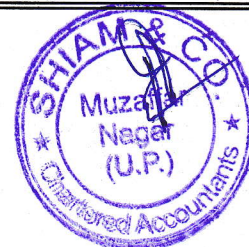
3,767,741.00	2,467,546.50
-	791,000.00
3,767,741.00	3,258,546.50
(509,194.50)	(901,772.50)

22 Employee benefit expense

Salaries & wages
Salary to directors
Staff welfare
Watch & ward
Provident fund
E.S.I.C.
Bonus

Total

13,268,748.00	11,238,591.00
1,575,000.00	1,500,000.00
17,934.00	95,884.45
1,090,358.00	1,032,819.06
1,223,705.00	770,078.00
315,500.00	257,764.00
761,185.00	558,712.00
18,252,430.00	15,453,848.51



23 Finance costsInterest on :

Term loans

Bank borrowings & others

Unsecured borrowings

Bank charges & others

Less:-Amount included in capital work in progress

Total

2,265,689.00	6,262,913.24
18,898,915.00	16,431,393.00
2,418,834.00	6,366,832.00
944,952.83	683,269.27
24,528,390.83	29,744,407.51
-	-
24,528,390.83	29,744,407.51

24 Other expensesManufacturing

Chemicals

Power & fuel

Packing material

Consumable stores

Total (a)

64,424,538.53	44,337,237.78
118,025,135.25	116,888,687.70
7,907,290.00	8,314,294.50
18,536,839.82	13,686,145.67
208,893,803.60	183,226,365.65

Administrative overhead

Printing & stationery

Postage expenses

Telephone expenses

Legal & professional charges

Rates & taxes

Travelling expenses

Auditors remuneration

Insurance

Vehicle running & maintenance

Repairs - factory building

Drain cleaning charges

E.T.P. running & maintenance

Miscellaneous expenses

Total (b)

185,755.00	103,940.06
35,318.50	35,655.00
131,391.84	89,892.32
402,061.57	353,040.90
266,265.00	637,818.00
23,317.00	114,074.00
90,000.00	90,000.00
829,900.20	784,436.00
260,442.08	239,771.00
450,204.66	377,866.42
-	1,318,600.00
480,057.00	568,137.65
104,608.13	575,632.04
3,259,320.98	5,288,863.39

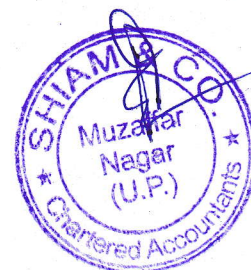
Selling & forwarding :

Discount & forwarding charges

Commission on sales

Total (c)**Total (a-b-c)**

17,683,033.15	15,833,085.00
3,598,889.00	6,963,690.50
21,281,922.15	22,796,775.50
233,435,046.73	211,312,004.54



25 Value of Imports (C.I.F.) Value in respect of		(Amount in `)	
Particulars		As at 31.03.2020	As at 31.03.2019
(a) Raw materials		NIL	5,613,836.00
(b) Capital goods		NIL	NIL
(c) Chemical		NIL	NIL
(d) Consumable stores		863,599.00	737,358.00
26 Expenditure in foreign currency		NIL	NIL
27 Remittance in foreign currency		863,599.00	6,351,194.00
28 Earning in foreign currency		NIL	NIL

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

	As at 31.03.2020		As at 31.03.2019	
	(Amount in `)	PERCENTAGE	(Amount in `)	PERCENTAGE
1. Raw material				
Waste paper indigenous	371,535,806.75	100.00%	415,886,137.27	97.68%
Waste paper imported	-	0.00%	9,869,600.30	2.32%
Total Rs.	371,535,806.75		425,755,737.57	
2. Consumable machinery parts				
Indigenous	17,538,654.82	94.62%	12,765,409.39	93.27%
Imported	998,185.00	5.38%	920,736.28	6.73%
Total Rs.	18,536,839.82		13,686,145.67	
3. Chemicals (indigenous)	64,424,538.53	100%	44,337,237.78	100%
4. Packing material (indigenous)	7,907,290.00	100%	8,314,294.50	100%

30 Earning per shares (EPS):-

Particulars	As at 31.03.2020	As at 31.03.2019
Profit attributable to the shareholders (Rs.in lacs)	110,083.93	7,504,760.69
Basic/weighted average number of equity shares outstanding during the year	15,000,000	9,375,000
Nominal value of equity shares (Rs.)	10	10
Basic/diluted earning per shares (Rs.)	0.01	0.80

31 Payment to auditors:-

	As at 31.03.2020	As at 31.03.2019
Audit fee	70,000.00	70,000.00
Tax audit fee	20,000.00	20,000.00
Total	90,000.00	90,000.00

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

	As at 31.03.2020		As at 31.03.2019	
	(Demand in `)	(Deposit in `)	(Demand in `)	(Deposit in `)
Sales tax	215,782.00	215,782.00	221,878.00	221,878.00

	As at 31.03.2020	As at 31.03.2019
Bank guarantees	200,000.00	-

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 (Whole Time Director)
2. Shri Saurabh Gupta (Whole Time Director)

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 31.03.2020	As at 31.03.2019
1	Salary to directors	1,575,000.00	1,500,000.00
2	Purchase	-	187,184.00
3	Unsecured loans repayment	7,086,991.00	9,933,615.00
4	Interest	352,404.00	1,909,829.00
5	Unsecured loans received	1,720,000.00	1,510,000.00
6	Outstanding balance	19,092,413.00	24,142,242.50

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, 2020 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

The COVID-19 threat led to imposition of lockdown resulting in temporary closure of production operations from 25th March 2020. On restart from 16th June 2020 the paper prices bearish pressure, the company does not foresee any large scale contraction in demand for its products or disruption to its business. As per current assessment, there is no significant impact on the carrying amounts of property, plant and equipment, inventories, receivables and other financial assets. The actual impact of COVID-19 may however differ from the estimate as at the date of approval of these financial results.

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 31.03.2020	As at 31.03.2019
A.	Amounts due to Micro, Small and Medium enterprises as on 31.03.2020		
	(i) Principal amount	NIL	NIL
	(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 31.03.2020	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 31.03.2020.

40 Previous year figures have been re-arranged and re-grouped wherever necessary.

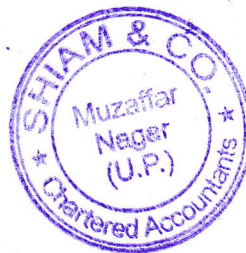
The accompanying notes form an integral part of the financial statements.

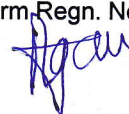

Saurabh Gupta
Director
DIN : 01075042


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:20073352AAAACY8961

DATED : 24.08.2020
PLACE : MUZAFFARNAGAR