



# **HARDOLL PAPER MILLS LIMITED**

**28<sup>th</sup> ANNUAL REPORT  
2021 - 2022**





## BOARD OF DIRECTORS

<b>ANIL KUMAR LAKHOTIYA</b> (DIN 00367361)	-	<b>MANAGING DIRECTOR</b>
<b>KAILASHCHANDRA P. AGRAWAL</b> (DIN 00367292)	-	<b>WHOLE TIME DIRECTOR</b>
<b>JARNAIL SINGH SAINI</b> (DIN 00367656)	-	<b>WHOLE TIME DIRECTOR &amp; CHIEF FINANCIAL OFFICER (CFO)</b>
<b>OMPRAKASH RATHI</b> (DIN 00895316)	-	<b>WHOLE TIME DIRECTOR</b>
<b>NARASIMHAN VARADARAJAN</b> (DIN 08177714)	-	<b>INDEPENDENT NON EXECUTIVE DIRECTOR</b>
<b>PREM KEWALRAMANI</b> (DIN 08177725)	-	<b>INDEPENDENT NON EXECUTIVE DIRECTOR</b>
<b>PRIYANKA DESHMUKH</b> (DIN 08177708)	-	<b>INDEPENDENT NON EXECUTIVE WOMAN DIRECTOR</b>
<b>MAYANK LUNIYA</b>	-	<b>COMPANY SECRETARY</b>

**REGISTERED OFFICE**  
Krishna Kunj, First Floor, Bhavsar Chowk,  
Central Avenue, Nagpur 440 032

**BANKERS**  
**State Bank of India,**  
Nagpur

**WORKS**  
Survey No. 67,  
Village Hardoli,  
Taluka Katol,  
Dist. Nagpur,  
Maharashtra State

**AUDITORS**  
**Darak And Associates**  
Chartered Accountants,  
304, Mahalaxmi Complex,  
23, Central Avenue,  
Nagpur – 440002

## NOTICE

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**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **Hardoli Paper Mills Limited** will be held at the Registered Office of the Company situated at Krishna Kunj, First Floor, Bhavsar Chowk, Central Avenue, Nagpur-440032 on Friday, the 23<sup>rd</sup> September, 2022 at 12.00 noon, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Jarnailsingh G. Saini (DIN: DIN: 00367656)** who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 139, 142, and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 including any statutory modification(s) or reenactment thereof, for the time being in force) **M/s. DARAK AND ASSOCIATES**, Chartered Accountants, Nagpur (Firm Registration No.: 132818W) be and is hereby reappointed as Statutory auditors of the company to hold office for a period of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2027, at such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

4. **To approve the Related Party Transaction with M/s. Saini Transport Company u/s 188 of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date read with the Company’s ‘Policy on Related Party Transactions’ and as per the recommendation/approval of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with M/s. **Saini Transport Company** a related party within the meaning of Section 2(76) of the Act for availing freight services during the financial year 2022-2023, on such terms and conditions as the Board of Directors may deem fit individually and/ or in the aggregate up to an amount not exceeding ₹ 60.00 Lakhs (Rupees Sixty Lakhs), provided however, that the said contracts/arrangements/ transactions shall be carried out on an arm’s length basis and in the ordinary course of business of the Company

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

5. **To approve the Related Party Transaction with M/s. Chandra Coal Private Limited u/s 188 of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, read with the Company’s ‘Policy on Related Party Transactions’ and as per the recommendation/approval of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with **M/s. Chandra Coal Private Limited** a related party within the meaning of Section 2(76) of the Act, for sale of finished goods and purchase of coal during the financial year 2022-2023, on such terms and conditions as the Board of Directors may deem fit, individually and/ or in the aggregate up to an amount not exceeding ₹1200.00 Lakhs (Rupees Twelve Hundred Lakhs), provided however, that the said contracts/arrangements/ transactions shall be carried out on an arm’s length basis and in the ordinary course of business of the Company

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”



## NOTICE (CONTD.)

### 6. To approve the Related Party Transaction with M/s. Chandra Sales Corporation u/s 188 of the Companies Act, 2013 :

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Chandra Sales Corporation, a related party within the meaning of Section 2(76) of the Act for sale of finished goods and purchase of raw material during the financial year 2022-2023, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹ 300.00 Lakhs( Rupees Three Hundred Lakhs), provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

By Order of the Board  
For Hardoli Paper Mills Limited

Anilkumar M. Lakhotiya  
Managing Director  
(DIN: 00367361)

Date :8<sup>th</sup> August, 2022

**Regd. Off:**  
Krishna Kunj, 1st Floor,  
Bhavsar Chowk,  
Nagpur 440002

### NOTES FOR MEMBERS’ ATTENTION

#### Notes:

- 1) The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (the Companies Act), relating to the special businesses to be transacted at the meeting is annexed hereto. Further as required by Regulation 36(5) of SEBI (LODR) 2015 explanatory statement relating to item of auditor appointment is also annexed hereto.
- 2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. Instrument appointing proxies should be deposited at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
- 3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percentage of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
- 4) Institutional Shareholders / Corporate Shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., authorising its representative to attend the AGM on its behalf and to vote through remote e voting or during the AGM. The said Board Resolution/Authorisation shall be sent to the Scrutinizer through registered e-mail address to girishmurarka@gmail.com with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- 5) Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the notice as “Annexure A”

**NOTICE (CONTD.)**

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- 6) The members/proxies are requested to bring duly filled in attendance slips for attending the meeting and members/proxies are also requested to bring a copy of the Annual Report to the meeting.
- 7) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 8) The Register of Members of the Company will be closed from Saturday, 17<sup>th</sup> September, 2022 to Friday, 23<sup>rd</sup> September, 2022 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents of the Company.
- 10) Members who are holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- 11) Members who have not registered their email address so far are requested to register their email address so that they can receive the Annual Report and other communication from the Company electronically.
- 12) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company mentioning their name, demat account number/folio number, email id, mobile number on or before 13<sup>th</sup> September, 2022 through email on [hardolipaper@gmail.com](mailto:hardolipaper@gmail.com) The same will be replied by the Company suitably.
- 13) Members are requested to write/intimate to Company's Registrar and Share Transfer Agent, changes in their registered addresses, profile details, if any, for sending future communication(s), any query in connection with claim of the unclaimed and unpaid dividends, etc.) in respect of equity shares held in physical form and to Depository Participant(DPs) in respect of equity shares held in demat form.
- 14) Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice calling the AGM and the Annual Report 2021-22 will also be available on the Company's website [www.hardolipaper.com](http://www.hardolipaper.com), websites of the Stock Exchanges i.e. Metropolitan Stock Exchange at [www.msei.in](http://www.msei.in) and on the website of Central Depository Securities Limited (CDSL) at <https://www.evotingindia.com>.
- 15) Documents referred to in the Notice shall be available for inspection by the Members through e-mail and also at the registered office of the company. The Members are requested to send an e-mail to [hardolipaper@gmail.com](mailto:hardolipaper@gmail.com) for the same.
- 16) Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or arrangements in which directors are interested, will be available for inspection by the Members through e-mail and also at the registered office of the company.
- 17) As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred, transmitted only in dematerialised form with effect from 01<sup>st</sup> April, 2019. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to convert their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Share Transfer Agent for assistance in this regard.
- 18) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agent by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 19) Further pursuant to Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Company needs to send the Notice, Annual Report electronically on the e-mail addresses as obtained from the Company/ Depositories/ Registrar and Share Transfer Agent to the members. If you are holding the shares of the Company in dematerialized form and already registered your email address, you would be receiving the Notices of General Meeting/Postal Ballot, Annual Report and other Shareholders communication by electronic mode.

The Members who hold shares in physical mode and have not registered their e-mail address may request the Company to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode by registering their valid e-mail address with the Company / Registrar and Share Transfer Agents.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Registrar and Share Transfer Agents. (in case of Shares held in physical form).



## NOTICE (CONTD.)

### E-VOTING :

*The Company is pleased to provide E-voting facility through National Security Depository Limited (NSDL) as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 28<sup>th</sup> Annual General Meeting of the Company dated 08.08.2022 (the AGM Notice). E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 16.09.2022 being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically.*

### INSTRUCTIONS FOR REMOTE E-VOTING

- Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration), rules, 2014, as substituted by the Companies (Management and Administration), Amendment, Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 the Members are provided with the facility to cast their vote electronically on the resolution proposed to be passed at the AGM through the e-voting services provided by (NSDL). The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, 16<sup>th</sup> September, 2022**, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice.
- The facility for voting through electronic voting system shall made be available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM. The Members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- The voting period will commence at **9.00 a.m. on Tuesday, 20<sup>th</sup> September, 2022 and will close at 5.00 pm on Thursday, 22<sup>nd</sup> September, 2022**. In addition, the facility for voting shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by e-voting shall be eligible to vote at the AGM.

### PROCEDURE FOR REMOTE E-VOTING:

Step 1: Access to NSDL e-Voting system.





- I. Login method for e-Voting for Individual shareholders holding securities in demat mode.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility:</p> <ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password.</li> <li>2. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period.</li> <li>3. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

**NOTICE (CONTD.)**

	<p>B. E-Voting website of NSDL:</p> <ol style="list-style-type: none"> <li>1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>2. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>
	<p>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>2. Once you login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>

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

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





## NOTICE (CONTD.)

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

### II. Login method for remote e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

#### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-services after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

#### 4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

#### 5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'
  - If your email ID is not registered, please follow steps mentioned in the Notice in case of those shareholders whose email ids are not registered.

#### 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**NOTICE (CONTD.)**

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- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
- (B) The voting period begins on **9.00 a.m. Tuesday, 20<sup>th</sup> September, 2022 and will close at 5.00 pm on Thursday, 22<sup>nd</sup> September, 2022**. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e 16<sup>th</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by NDSL for voting thereafter.
- (C) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.
- (D) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.cdsl.com](http://www.evoting.cdsl.com).
- (E) The Board of Directors has appointed M/s. Girish Murarka & Co., Practicing Company Secretary (Membership No.4576) as the Scrutinizer to scrutinize the remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (F) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- (G) The Chairman or authorized representative shall declare the results of the electronic voting after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company in the annual reports section.
- (H) The investors may contact the Compliance Officer for redressal of their grievances /queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances /queries to the Compliance officer at the following e-mail address: [grievance@tpiindia.com](mailto:grievance@tpiindia.com).

By Order of the Board  
**For Hardoli Paper Mills Limited**

**Anilkumar M. Lakhotiya**  
Managing Director  
(DIN: 00367361)

Date :8<sup>th</sup> August, 2022

**Regd. Off:**  
Krishna Kunj, 1st Floor,  
Bhavsar Chowk,  
Nagpur 440002



## NOTICE (CONTD.)

### Explanatory Statement under Section 102 of the Companies Act, 2013

#### Item No. 3

The Members of the Company at the 24<sup>th</sup> Annual General Meeting had appointed M/s. Darak & Associates, Chartered Accountants (FRN: 132818W), as Statutory Auditors of the Company to hold office from the conclusion of 24<sup>th</sup> Annual General Meeting for the period of four years until the conclusion of 28<sup>th</sup> Annual General Meeting of the Company. Accordingly, the current term of M/s. Darak & Associates, Chartered Accountants, as Statutory Auditors of the Company concludes at the conclusion of this Annual General Meeting. After considering various factors such as qualification and experience, competency & efficiency of the audit team, effectiveness of conduct of audit, independence etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on 8<sup>th</sup> August, 2022 proposed the reappointment of M/s. Darak and Associates, Chartered Accountants, as Statutory Auditors of the Company for a further period of five consecutive years from the conclusion of this 28<sup>th</sup> Annual General Meeting until the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company,

Darak and Associates, Chartered Accountants, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013 and Code of ethics issued by the Institute of Chartered Accountants of India.

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The proposed remuneration to be paid to Auditors for the financial year 2022-23 is ₹ 2.50 lacs. The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, monetarily or otherwise in the proposed Ordinary Resolution.

The Resolution as set out in Item No. 3 of the Notice is recommended by the Board to be passed as an Ordinary Resolution.

#### Item No. 4,5 and 6

The provisions of the Companies Act, 2013 provide that, all related party transactions exceeding the limits specified under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 shall require approval of the Shareholders of the Company.

In compliance with the above provisions the proposed agreement/arrangement/contract to be entered into with the party as specified in the proposed Ordinary resolution placed for your approval. It may be noted that, interested/related party shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

Given the nature of the industry, the Company works closely with its related parties to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and on arm's length basis.

**The relevant information pertaining to Related Party Transactions with Saini Transport Company ("STC"), Chandra Coal Private Limited ("CCPL") and Chandra Sales Corporation ("CSC") as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date is given below:**

Sr No	Particulars	Details / Information pertaining to Transaction		
1	<b>Name of the Related Party</b>	Saini Transport Company	Chandra Coal Private Limited	Chandra Sales Corporation
2	<b>Nature of relationship</b>	Enterprise in which there is significant influence of Members/Directors	Enterprise in which there is significant influence of Members/Directors	Enterprise in which there is significant influence of Members/Directors
3	<b>Nature, material terms, and particulars of contracts or arrangement</b>	Transaction involves availing freight services for business purpose from Saini Transport Company.	Transaction involves Sale of finished goods and purchase of coal for business purpose to/from Chandra Coal Private Limited.	Transaction involves Sale of finished goods and purchase of raw material for business purpose to/from Chandra Sales Corporation .
4	<b>Value of the proposed transaction</b>	As stated in the resolution	As stated in the resolution	As stated in the resolution
5	<b>Interested Director / KMP</b>	Mr. Jarnail Singh Saini	Mr. Kailashchandra Agarwal	Mr. Kailashchandra Agarwal

**NOTICE (CONTD.)**

Sr No	Particulars	Details / Information pertaining to Transaction		
6	<b>Tenure of the proposed transaction</b>	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
7	<b>advance paid or received for the contract or arrangement</b>	NIL	NIL	NIL
8	<b>Justification for why the proposed transaction is in the interest of the listed entity</b>	The RPTs with STC, CCPL and CSC will help the Company achieve synergies and economies of scale and will be in the best interest of the members. Further, the above RPTs would help bring efficiency in operational and logistics costs, strengthen sustainability and leverage knowledge pool across functions.		

Members may note that the Company has been undertaking such transactions of similar nature with the above related parties in the past financial years, in the ordinary course of business and on arms' length basis after obtaining requisite approvals from the Audit Committee of the Company. The maximum annual value of the proposed transactions with aforesaid related parties is estimated on the basis of Company's current transactions with them and future business projections.

The Board of Directors of the Company, upon the approval and recommendation of the Audit Committee but subject to approval of the members, have approved the foregoing RPTs with above stated parties.

Directors of the Company are interested in the proposed transactions on account of having significant influence over the above entities and to the extent of their shareholding in the Company.

The Board of Directors recommends the Ordinary resolution(s) as set out at Item No. 4,5 and 6 of the Notice for approval of the members.

**For Hardoli Paper Mills Limited**

**Anilkumar M. Lakhotiya**  
Managing Director  
(DIN: 00367361)

Date :8<sup>th</sup> August, 2022

**Regd. Off:**  
Krishna Kunj, 1st Floor,  
Bhavsar Chowk,  
Nagpur 440032



## NOTICE (CONTD.)

## ANNEXURE "A"

The Statement of disclosures pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings, is as under:

Name of Director	Mr. Jarnailsingh G. Saini (DIN: 00367656)
Date of Birth	05/06/1948
Date of Appointment	24/02/1995
Qualification	Graduate
Expertise in specific functional areas	Manufacturing and marketing of paper products and finance
Directorship in other Indian Public Limited Companies as on 31.03.2022	NIL
Chairman/Member of the Committees of the Board of other Indian Public Limited Companies as on 31.03.2022	NIL
No. of Shares held in the Company	112805
Number of Board Meeting attended during 2021-22	7
Disclosure in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	None of the Directors and KMP are related to Mr. Jarnailsingh G. Saini
Details of Remuneration last drawn during F. Y 2021-22	10,00,000/-

**DIRECTORS' REPORT**

To,  
The Members,  
HARDOLI PAPERS MILLS LIMITED

Your directors have pleasures in submitting the **Twenty Eighth** Annual Report together with Audited Financial Statement of the Company for the year ended on 31<sup>st</sup> March, 2022.

**FINANCIAL RESULTS:**

The Company's financial performance, in the year ended March 31, 2022 as shown below:

(Amount ₹ in Lacs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Income from operations (including other income)	11254.13	8209.49
Profit before interest, Depreciation, Tax and extra-ordinary items	286.47	723.65
Less: Interest	76.03	63.72
Profit before Depreciation, Tax and extra-ordinary items	210.44	659.93
Less: Depreciation	179.58	177.28
Profit before Tax and extra-ordinary items	30.86	482.65
Add / (Less) Extra-ordinary item	--	-
Profit / (Loss) before Tax	30.86	482.65
Less: Provisions for Tax including deferred tax	(7.40)	139.92
Profit / (Loss) After Tax	38.25	342.73
Earning per share-Basic & Diluted	1.42	12.73

**OPERATION AND STATE OF COMPANIES AFFAIRS:**

During the year under review, the Company has recorded total revenue from operation of ₹ 11,240.22 lacs as against revenue of ₹ 8197.59 lacs during previous year. Profit after tax is ₹ 38.25 lacs as compared to ₹ 342.73 lacs during previous year.

It is pertinent to note that despite of increase in revenue from ₹ 8,197.59 to ₹ 11,240.22 lacs during the year under review, net profit after tax is reduced from ₹ 342.73 lacs to ₹ 38.25 lacs as operating cost of the company has been increased during the year on account of rise in price of Raw materials covering Local waste paper, Import OCC, Chemical, Packing material & costly Coal.

During the year under review, steps has been taken for installation of new turbine for self-power generation which will lead to reduction in power cost and thereby reduced operating cost and expected to improvement in bottom line. It is estimated that this expansion will cost around ₹ 14 crores for which company has initiated for procurement of liquid equipment since October 2021 and expected to complete the installation by October 2022.

**COVID-19**

In the FY 2021-22, there were some minor restrictions on account of second wave of the COVID-19 pandemic, however there was no major impact of the same on the business of the company.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under relevant Listing Regulation, Management Discussion and Analysis Report is enclosed as part of this Annual Report.

**RESERVES:**

Your Board of Directors does not recommend carrying any amount to reserves, the entire profit amount was carried forward to next year.

**CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company during the financial year under review.



## DIRECTORS' REPORT (CONTD.)

### MATERIAL CHANGES BETWEEN THE PERIOD FROM END OF FINANCIAL YEAR TO THE DATE OF REPORT OF THE BOARD:

There were no material changes and commitments affecting the financial position of your Company between the end of financial year and the date of this report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

There are no significant material orders passed by the regulators / courts / tribunals which would impact the going concern status of the Company and its future operations.

### LISTING OF SHARES WITH METROPOLITAN STOCK EXCHANGE OF INDIA:

The Shares of the Company are listed on Metropolitan Stock Exchange of India.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide appropriate avenue to the Directors and employees to bring to the attention of Management, the concern about the behavior of employees that raise concern including fraud by using the mechanism provided in the Whistle Blower Policy.

### DIVIDEND:

With a view to conserve resources, Your Directors did not recommend any dividend on the equity shares for the year.

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

Information pursuant to Sub-section 3(m) of section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

#### A. CONSERVATION OF ENERGY:

- i) Your Company is constantly been trying to make optimum use of power by installation of necessary power saving equipment's.

#### ii) POWER & FUEL CONSUMPTION

Financial Year	Year ended 31.03.2022	Year ended 31.03.2021
Electricity Consumption(Unit in lakhs)	88.00	85.92
Total Amount(₹ in lakhs)	696.26	664.05
Rate per unit(in ₹)	₹ 7.91 per unit	₹7.73 per unit
Coal Consumption in MT(in ₹)	9555.970	12879.830
Total Amount (₹ in lakhs)	542.29	572.96
Rate per unit (in ₹)	₹5674.83/- per MT	₹4448/- per MT
Husk Consumption in MT	4539.840	--
Total amount (₹ in lakhs)	167.39	--
Rate per unit in ₹	₹3687.08 per MT	--

#### B. TECHNOLOGY ABSORPTION:

The Technology used by the Company is simple and is indigenously available.

**DIRECTORS' REPORT (CONTD.)****C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Details of foreign exchange outgo are as under:

(₹ in lacs)

Item	2021-2022	2020-2021
Import of raw material	1604.74	1017.99
Stores & Spares	5.87	9.82
Capital good	48.15	5.26

The earning in foreign currency is ₹ 12.31 lacs (P.Y ₹ 10.88 Lacs)

**SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES:**

The Company has no Subsidiaries, Joint Venture and associate companies during the year.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**DIRECTORS' RESPOSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013, your Directors submit:

- (i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departure.
- (ii) That the Director have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the current year on 31<sup>st</sup> March, 2022 and of the Profit or Loss of the Company for the year ended on that date.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the Annual Accounts of the Company on a going concern basis.
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**AUDTIORS AND AUDITORS' REPORT:****Statutory Auditor**

At the Annual General Meeting held on 31<sup>st</sup> August, 2018 M/s DARAK & ASSOCIATES, Chartered Accountants, Nagpur were appointed for the period of Four Financial years. During the year, the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and Code of ethics issued by the Institute of Chartered Accountants of India.

Further, the tenure of existing auditors of the company expires at the ensuing annual general meeting. Board proposes their reappointment for a period of 5 financial years at the ensuing annual general meeting.

There were no adverse comments in the report of statutory auditors.

The Statutory Auditors have not reported any incident of fraud to the Board of Directors of the company in the year under review.

**Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. GIRISH MURARKA & CO., Company Secretaries in Practice having Membership Number 7036 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the year 2021-22 as issued by him in the prescribed Form MR-3 is annexed to this Report.

There were no adverse comments in the report of secretarial auditors.





## DIRECTORS' REPORT (CONTD.)

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are: Anilkumar M. Lakhotiya, Managing Director, Kailashchandra P. Agrawal, Whole-time Director, Jarnailsingh G. Saini, Chief Financial Officer and Whole time Director, Mr. Omprakash D. Rath, Whole time Director and Mr. Mayank Luniya, Company Secretary cum Compliance Officer.

At the ensuing Annual General Meeting, **Mr. Jarnailsingh G. Saini** (DIN: DIN: 00367656) retires by rotation and being eligible, offers himself for re-appointment.

Further, Board of Directors at their meeting held on 13<sup>th</sup> May, 2021 appointed Mr. Kailashchandra P. Agrawal as Whole-time director of the company w.e.f. 01/04/2021, Mr. Anilkumar M. Lakhotiya as Managing Director of the company w.e.f. 01/04/2021, re-appointed Mr. Jarnailsingh G. Saini as Whole-time director of the company w.e.f. 01/04/2021 and Mr. Omprakash D. Rath as Whole time director of the company w.e.f. 26/07/2021 and same were approved by the members at the Annual General Meeting held in 2021.

### INDEPENDENT DIRECTORS:

In accordance with the provision of Section 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014, along with schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) during the Financial year 2018-19, Mrs. Priyanka P. Deshmukh (DIN 08177708), Mr. Narasimhan Varadarajan (DIN 08177714) and Mr. Prem S. Kewalramani (DIN 08177725) were appointed as Independent Directors to hold office for a Period of Five years.

#### a) Declaration by an Independent Director(s)

Pursuant to the provisions of Section 149 of the Act, Mrs. Priyanka P. Deshmukh (DIN 08177708), Mr. Narasimhan Varadarajan (DIN 08177714) and Mr. Prem S. Kewalramani (DIN 08177725) have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

#### b) Independent Directors Meeting

In accordance with the provisions of Schedule IV (Code for independent Directors) of the Companies Act, 2013, the Independent Directors of the company met once during the financial year 2021-22 without the attendance of Non- Independent Directors and members of Management of the Company.

#### c) Familiarisation Programme:

The details of programmes for familiarisation of Independent Directors with the Company are available at the Company's website at [www.hardolipaper.com](http://www.hardolipaper.com).

#### d) a statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year".

Since, no independent director was appointed during the year, above clause is not applicable to the company.

### COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:

#### a) Nomination & Remuneration Committee

The Company has constituted **Nomination & Remuneration Committee** which comprise of independent directors. The Members of the Committee are Mr. Prem Kewalramani, Mr. Narasimhan Varadarajan and Mrs. Priyanka P. Deshmukh. The quorum for the Nomination and Remuneration Committee is two members. The Committee met twice during the year i.e. on 13<sup>th</sup> May, 2021 and 25<sup>th</sup> June 2021.

The details of attendance of the members of the committee at the meeting are given below:

Sr. No.	Name of the Director	Meeting details	
		Held	Attended
1	Mr. Prem Kewalramani (Chairman)	2	2
2	Mr. Narasimhan Varadarajan	2	2
3	Mrs. Priyanka P. Deshmukh	2	2

**DIRECTORS' REPORT (CONTD.)****b) Policy on Directors' appointment and remuneration**

The remuneration and compensation for Directors, Key Managerial Personnel and other Employees is guided by the requisite Policy. The Remuneration Policy ("Policy") has been framed in line with the requirement under Section 179 of the Companies Act, 2013 ("Act") and has been recommended by the Nomination and Remuneration Committee, and approved by the Board of Directors. The Policy serves as a framework for determining the remuneration of Directors, Key Managerial Personnel and Senior Management, seeks to balance the fixed pay, and reflects the short and long-term performance objectives of the Company. Further, the Policy has been designed to motivate employees for delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short and long-term.

**c) Evaluation of performance of the Board**

Pursuant to and in line with the requirements prescribed under the Act, the Board of Directors carried out an annual evaluation of its performance, and that of its Committees and Individual Directors. Further, the Independent Directors met separately, without the attendance of non-Independent Directors and Members of the Management, to discuss and review the performance of non-Independent Directors, Board and of the Chairperson. They further assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

Overall, the Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, Individual non-Independent Board Members, and the Chairman, and on the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors shared additional suggestions on certain aspects to further improve the process.

The Nomination & Remuneration Committee also undertook an evaluation of Individual Director's performance and expressed its satisfaction on performance of each Director. There has been no material adverse observation or conclusion, consequent to such evaluation and review.

**AUDIT COMMITTEE:**

The Audit Committee has been constituted and functions in accordance with the provisions of Section 177 of the Companies Act, 2013 ("Act") read with Companies (Meeting of Board and its Powers) Rules, 2014. The Audit Committee met Five (5) times during the financial year 2021-22 i.e. on 13/05/2021, 25/06/2021, 12/08/2021, 12/11/2021 and 28/01/2022. The details of the Committee along with the details of the meetings held and attended by the members of the committee during the financial year 2021-22 are as under:

Sr. No.	Name of the Director	Meeting details	
		Held	Attended
1	Mr. Narasimhan Varadarajan (Chairman)	5	5
2	Mr. Prem Kewalramani	5	5
3	Mrs. Priyanka P. Deshmukh	5	5

**RECOMMENDATION OF AUDIT COMMITTEE TO THE BOARD OF DIRECTORS**

During the financial year 2021-22, the Board of Directors of the Company accepted all recommendations put forth to it by the Audit Committee.

**PUBLIC DEPOSITS**

During the year, the Company has not accepted or renewed any deposits from the public as covered under section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**SHARE CAPITAL**

The Authorized Share Capital of the Company as on 31<sup>st</sup> March, 2022 is ₹ 3,50,00,000/- (Rupees Three Crore Fifty Lac only) divided into 35,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 3,50,00,000/- (Rupees Three Crore Fifty Lac only).

There has been no change in the Equity Share Capital of the Company during the financial year 2021-22.

The Issued, Subscribed and Paid-up capital of the Company as on 31<sup>st</sup> March, 2022 is 2,69,22,650/- (Rupees Two Crore Sixty-Nine Lac Twenty-Two Thousand Six Hundred Fifty only) divided into 26,92,265 Equity Shares of ₹ 10/- each aggregating to ₹ 2,69,22,650/- (Rupees Two Crore Sixty Nine Lac Twenty Two Thousand Six Hundred Fifty only).



## DIRECTORS' REPORT (CONTD.)

### COST AUDIT

The provisions of Cost Audit as prescribed under section 148 of the Companies Act, 2013 are not applicable to the Company.

### MEETING OF THE BOARD

During the financial year under review, the Board of Directors duly met 7 (Seven) times in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose.

Date of Meeting	Board Strength	No. of Directors Present
13-05-2021	7	7
25-06-2021	7	7
28-07-2021	7	6
12-08-2021	7	7
12-11-2021	7	7
24-12-2021	7	7
28-01-2022	7	7

### RISK MANAGEMENT POLICY

The Risk Management Policy is formulated and implemented by the Company in compliance with the provisions of the Companies Act, 2013. The Policy helps to identify the various elements of risks faced by the Company, which in the opinion of the Board threatens the existence of the Company.

### PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

During the financial year under review, company has not provided any loans, guarantees and investment covered under section 186 of the Companies Act, 2013.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of Contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure I** to this Board's Report.

### EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 has been placed on the Company's website [www.hardolipaper.com](http://www.hardolipaper.com).

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee of Company comprises of following members: -

Mr. NarsimhanVaradrajan - Chairman (Independent Director)

Mr. Kailashchandra P. Agarwal – Member (Whole-time Director)

Mr. Anilkumar M. Lakhotiya – Member (Managing Director)

On the basis of Audited financial year 2020-21, Your Company does not fall in any of the categories as provided under section 135 of the Companies Act, 2013 and hence CSR provisions are not applicable to the Company for the financial year 2021-22. However pursuant to provisions of Rule 3(2) of The Companies (Corporate Social Responsibility Policy) Rules, 2014, company has complied with the provisions of Section 135 of the Companies Act, 2013 even though the same was not applicable to the company.

As required under section 135 of the Companies Act, 2013 read with relevant Rules, disclosure to include in an Annual Report on CSR activities containing the particulars specified in the Rules are attached hereto as **Annexure III** to this Report.

CSR Committee met once during the year under review i.e. on 25/06/2021

**DIRECTORS' REPORT (CONTD.)**

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**DISCLOSURE:**

**PARTICULARS OF EMPLOYEES:**

There were no employees drawing a salary in excess of limits as prescribed under the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Pursuant to Section 197 of the Companies Act 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 as amended from time to time, applicable details are given in the attached statement marked as **Annexure II** to this Report.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

There were no amounts which were required to be transferred during the financial year 2021-22.

**SEXUAL HARASSMENT:**

The Company has constituted an Internal Complaint Committee as required under section 4 of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaints were reported.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

No application is made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

No one time settlement done with banks or financial institutions during the financial year under review, hence, the above clause is not applicable to the company.

**OTHER DISCLOSURES**

- a) Your Company has not issued :-
  - Any shares with differential rights
  - Any sweat equity shares
- b) There was no revision in the financial statements.
- c) Your Company has complied with Secretarial Standards issued by ICSI.

**ACKNOWLEDGEMENT**

Your directors acknowledge with gratitude the co-operation extended by the Company's Bankers, Registrars, consultants and government / semi government authorities. The Directors also place on record their appreciation for sincere efforts put in by the employees at all level.

**By order of the Board**

**ANILKUMAR M. LAKHOTIYA**

**KAILASHCHANDRA P. AGRAWAL**

Place: Nagpur

MANAGING DIRECTOR  
(DIN – 00367361)

WHOLE-TIME DIRECTOR  
(DIN –00367292)

Date: 27-05-2022



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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a) **Economy:**

FY 2021-22 turned out to be another challenging year for the Indian economy, marked by heightened uncertainty and volatility due to the COVID pandemic. The year began with the second wave of the pandemic having a devastating socio-economic impact in the country followed by a sharp drop in its intensity, which aided smart recovery in economic activity that reached pre-pandemic levels towards the end of the second quarter. Even as economic prospects started looking up, the country was hit hard by the third wave with new cases rising exponentially across major cities and halting the recovery momentum. Just as the third wave had abated in India, geopolitical tensions in Europe sparked off a fresh round of uncertainty in the operating environment.

Amidst such a challenging backdrop, the Indian economy rebounded during the year growing by 8.9%, albeit on a low base. The Government of India continued to make concerted efforts, through several path-breaking initiatives across the areas of healthcare, infrastructure, social welfare and digital, to support various sections of the economy during these turbulent times which helped accelerate the pace of resumption of economic activities over the year. These include an effective and focused vaccination programme, targeted localised restrictions during peak caseloads, support to economically weak sections of society and assistance to sectors most impacted by the pandemic.

Up until January 2022, near-term prospects for the Indian economy seemed extremely promising – with all sectors of the economy, including the contact intensive service sector, having made steady recovery. However, sustained inflationary headwinds and outbreak of the Russia-Ukraine conflict leading to extended global disruptions and spiraling of commodity prices have led to downward revisions to the growth forecast for 2022.

Even as the Indian economy faces multi-dimensional challenges in the short term, it remains one of the most dynamic major economies in the world with immense headroom for growth. A favourable demographic profile, rapid urbanisation and increasing affluence represent some of the key structural drivers of growth of the Indian economy

b) **Industry / Products:**

The Company is engaged in manufacture of Kraft Paper and Board, which finds its application in the packaging industries, especially for making corrugated boxes. Over the years, the Company has undergone several phases of expansion & has an installed capacity of 60000 MT per Annum. The Company manufactures Kraft Paper of various Grades.

c) **Opportunities:**

The booming e-commerce, automobiles, pharma, food & beverages, electric equipment's & textiles in the developing economies of India have augmented the demand of Kraft Paper. The continued growth expected in all above sector in India as well as the overall economy recovery from the recent slowdown expected to boost the uptake of Kraft Paper market, which also projected to have positive impact on Company's growth.

**Threat and challenges:**

The Business in which the Company is engaged in raw-material and power intensive. Thus, the shortage of raw material and coal may affect the production. However, the Management has adequate system in place to constantly monitoring these requirements.

d) **Future Outlook:**

The growing adoption of sustainable packaging with biodegradable and eco-friendly material has triggered a huge demand for Kraft Paper in recent times. The demand for this type of paper is expected to soar in the coming years as the material shows eco-friendly as well as environment friendly equal to synthetic or plastic materials. Some of the factors that are expected to have the demand for Kraft Paper are features such as porosity, extensibility, printability, durability. Furthermore, this paper is also known to offer an exceptional high Tensile Energy Absorption and is this being used for Industrial & consumers packaging. Thus, it has earned the status of being excellent substitute for Plastics that are regularly used in Industrial & Consumer Packaging.

Fresh Steps have been taken to improve cost effectiveness, excellence in product quality, customer service and operational productivity.

e) **Internal Control System**

The Company has adequate system of internal controls with regards to purchase of stores, raw materials including components of Plant & Machinery, equipment, sale of goods and other assets. The internal control system is supplemented by well documented policies and guidelines and is conducted by outside Audit Firm.

f) **Financial and Operational Performance**

Despite of slowdown of economy on account of various restrictions imposed by Government for containing the spread of virus caused by second and third wave of Covid-19 pandemic, global disruptions caused by outbreak of the Russia-Ukraine conflict and various other factors, the company has recorded substantial growth in terms of sales. During the year under review, company

recorded sales of ₹ 11,240.22 lacs (P.Y ₹ 8,197.59 lacs). However, increase in operating cost on account of rise in price of raw materials and power resulted in fall of net profit after tax from ₹ 342.73 lacs to ₹ 38.25 lacs.

During the year under review, steps has been taken for installation of new turbine for self-power generation which will lead to reduction in power cost and thereby reduced operating cost and expected to improvement in bottom line. It is estimated that this expansion will cost around ₹ 14 crores for which company has initiated procuring of necessary equipment since October 2021 and expected to complete the installation by October 2022.

g) **Human Resource Development**

Human resource is the most important resource in Management and needs to be used efficiently. The Company views its employees as valuable resources who are important stakeholders in growth, prosperity and development of organization. The Company is committed to provide necessary training / conducts development program to imbibe necessary skill required with the employees. The Management of the Company enjoys cordial relations with its employee at all level.



## ANNEXURE – I

## PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

## Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended 31<sup>st</sup> March, 2022, which were not at arm's length basis.

## Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2022 are as follows:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
<b>Saini Transport Company</b> Owned by Relative of Director Mr. Jarnailsingh Saini	Freight Charges paid	Ongoing	Charges paid amounting to ₹ 51.18 lacs	13-05-2021	--
<b>Chandra Coal Private Limited.</b> Owned by relatives of Managing Director Mr. Kailashchand Agarwal	Purchase of Coal	Ongoing	Purchases amounting to ₹ 30.74 lacs	13-05-2021	--
<b>Chandra Coal Private Limited</b> Owned by relatives of Managing Director Mr. Kailashchand Agarwal	Sale of finished goods	Ongoing	Sales amounting ₹ 891.08 lacs	13-05-2021	--
<b>Chandra Sales Corporation</b> Owned by relatives of Managing Director Mr. Kailashchand Agarwal	Sale of Finished Goods	Ongoing	Sales amounting to ₹ 230.26 Lacs	13-05-2021	--
<b>Mr. Gaurav Lakhotiya</b> Relative of Director	Salary Paid	Ongoing	Salary paid ₹ 7.80 Lacs	13-05-2021	--

Place: Nagpur

Date: 27-05-2022

**ANILKUMAR M. LAKHOTIYA**

MANAGING DIRECTOR  
(DIN – 00367361)

**KAILASHCHANDRA P. AGRAWAL**

WHOLE-TIME DIRECTOR  
(DIN –00367292)

**ANNEXURE – II RATIO OF REMUNERATION****RATIO OF REMUNERATION**

Details as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

1. The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22:

Sr. No.	Name of the Director	Ratio to Median Remuneration
1.	Mr. Kailash Chand Agarwal	11.87
2.	Mr. Anil Kumar Lakhotiya	5.94
3.	Mr. Omprakash Rathi	5.94
4.	Mr. Janrail Singh Saini	5.94
5.	Mr. Narasimhan Varadarajan (only sitting fee)	NA
6.	Mr. Prem Kewalramani (only sitting fee)	NA
7.	Mrs. Priyanka P. Deshmukh (only sitting fee)	NA

2. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Finance Officer, Company Secretary or Manager, if any, in the financial year 2021-2022 compared to financial year 2020-21:

Sr. No.	Name of the Director	% of Increase
1.	Mr. Kailashchandra P. Agrawal- Whole-time Director	(46.06)
2.	Mr. Anilkumar M. Lakhotiya – Managing Director	7.85
3.	Mr. Omprakash D. Rathi – Whole Time Director	26.31
4.	Mr. Janrailsingh G. Saini- Executive Director & CFO	26.31
5.	Mr. Mayank Luniya- Company Secretary	1.85

3. The Median Remuneration of Employee (MRE) excluding executive Director was **1.62 lakhs** and **1.30 lakhs** in fiscal year 2022 and 2021 respectively. The increase in MRE in fiscal year is **0.32 lakhs (24.62%)** as compared to fiscal year 2021.
4. Number of permanent employees on the rolls of the Company: 66 employees as on 31.03.2022.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;-average percentile increase in salaries of employees=18.49%, percentile increase in the managerial remuneration (5.21%). Justification of increase in managerial remuneration=N.A.





## ANNEXURE – II RATIO OF REMUNERATION

8) It is hereby affirmed that the remuneration is as per the remuneration policy of the company

### Remuneration of Top 10 Employees of the Company

Employees Name, Designation, Education Qualification, Experience in Year, Remuneration in previous employment and designation.

Employees Name	Designation	Age	Education Qualification	Experience in Year	Remuneration	Date of commencement	previous employment and designation
Gaurav Lakhotiya	General Manager (Operation)	38	M.S. IN ELECTRICAL ENGINEER, BE ELECTRONICS	11	780000	16/08/2020	Digitech Graphics P. Ltd. Nagpur
Vishal Joshi	Maintenance Manager	45	BTECH MECHANICAL ENGG.	25	768000	18/01/2021	Kaygaon Paper Mills, Ahmedabad
Nitin Thakre	Production Manager	42	SSC	23	516385	01/09/2018	Samruthi Paper Mill, Nashik
Devidas Pande	Administrative Officer	62	M.COM	34	478800	16/04/1995	Crystal Potteries P.Ltd. MIDC, Nagpur
Jayshree Thawre	Sr. Accounts Officer	49	M.COM. WITH O' LEVEL COMPUTER DIPLOMA	27	416400	03/01/1999	Monalisa Enterprises, Pharmaceutical, Nagpur
Anwar Akhtar	Accounts Officer	40	B.COM	14	362400	17/06/2019	TACS & CO. Chartered Accountant, Nagpur
Mahesh Mirashe	Chemist	43	BSC. MS OFFICE INTERNATE COURSE	13	342000	01/04/2015	Madhya Bharat Papers Ltd., Chanpa
Dilip Patel	Foreman	45	SSC, ITI TECHNICAL	26	340152	01/04/2014	Swastik Paper Mill, Nashik
Kunal Jain	Purchase Officer	36	B.COM	12	315600	01/04/2015	Murli Industries Ltd, Nagpur
Manoj Gore	Electrical Incharge	49	HSSC, ITI, A.V.T.S. ELECTRIC MAINTENANCE REWINDING TESTING	28	323787	01/03/2019	Murli Agro Industries

**ANNEXURE – III CORPORATE SOCIAL RESPONSIBILITY (CSR)**
**REPORT ON CSR ACTIVITIES UNDERTAKEN DURING F. Y. 2021-22**
**1. A brief outline on Company's CSR policy of the Company:**

A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken by the Company has been given on the website of the Company. A brief area of CSR activities are given below:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- rural development projects
- slum area development
- disaster management, including relief, rehabilitation and reconstruction activities.
- rural development projects

**2. The composition of the CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Narsimhan Varadrajan	Chairman, Independent Director	1	1
2.	Mr. Kailashchandra P. Agarwal	Member, Whole Time Director	1	1
3.	Mr. Anilkumar M. Lakhotiya	Member, Managing director	1	1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://hardolipaper.com/>**
**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable**



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	N.A.	N.A.	N.A.
2	N.A.	N.A.	N.A.
3	N.A.	N.A.	N.A.
	<b>Total</b>	N.A.	N.A.

6. Average Net Profit of the Company for last three financial years: ₹ 469.49 Lacs

7. a) Two percent of average net profit of the company as per section 135(5): ₹ 9.39 Lacs  
 b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 c) Amount required to be set off for the financial year, if any: NIL  
 d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 9.39 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
9.57 Lacs	NIL	NIL	NIL	NIL	NIL

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation – Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number.
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of Implementation – Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration number.
1	Poviding LED Screens, School Bags, Almirah-Chairs etc	Promotion of Education	Yes	Maharashtra	Nagpur	3.76 lakhs	Direct	N.A.	N.A.
				Z. P. Primary School, Katol, E-learning Nagpur					

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of Implementation – Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration number.
2	Construction of Grill, Gate with Columns, for School Students Security & equipments for disabled children	Rural Development Project	Yes	Maharashtra	Nagpur	4.29 lakhs	Direct	N.A.	N.A.
3	Providing Coolers at Kondhali Police Station	promoting health care including preventive health care	Yes	Maharashtra	Nagpur	0.13 lakhs	Direct	N.A.	N.A.
4	Providing Playing kit for promoting and training sport activities under rural area for poor children	Sports Promotion	No	Maharashtra	Nagpur	0.21 lakhs	Direct	N.A.	N.A.
5	Providing Individual Household supply of Water (Meter) conservation development	Sanitation	Yes	Maharashtra	Nagpur	1.18 lakhs	Direct	N.A.	N.A.

- d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 9.57 Lakhs**
- (g) Excess amount for set off, if any-NIL

S. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	9.39 Lakhs
(ii)	Total amount spent for the Financial Year	9.57 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.18 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.18 Lakhs



9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of Fund	Amount (in ₹)	Date of transfer	
1	2020-21	NIL	NIL	Prime Minister Relief Fund	6.33 lakhs	NIL	NIL
1	2019-20	NIL	NIL	NIL	NIL	NIL	₹ 3.52 lakhs

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project – Completed/ Ongoing.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

Note : On the basis of audited financials for the year ended 31<sup>st</sup> March, 2021, your Company does not fall in any of the categories as provided under section 135 of the Companies Act, 2013 and hence CSR provisions are not applicable to the Company for the financial year 2021-22. However, pursuant to provisions of Rule 3(2) of The Companies (Corporate Social Responsibility Policy) Rules, 2014, company has complied with the provisions of Section 135 of the Companies Act, 2013 even though the same was not applicable to the company.

Place: Nagpur  
Date: 27-05-2022

**NARSIMHAN VARADRAJAN**  
CHAIRMAN OF CSR COMMITTEE  
(DIN - 08177714)

**ANILKUMAR M. LAKHOTIYA**  
MANAGING DIRECTOR  
(DIN – 00367361)

**ANNEXURE – IV FORM NO. MR-3**

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**SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014]

To,  
The Members  
**HARDOLI PAPER MILLS LIMITED**  
First Floor, Krishna Kunj,  
Bhavsar Chowk, C. A. Road,  
Nagpur 440 002

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **HARDOLI PAPER MILLS LIMITED** (herein after called "the Company") for the audit period covering the financial year ended on 31<sup>st</sup> March, 2022. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I, for the financial year ended on March 31, 2022, according to the provisions (to the extent applicable) of :
  - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds on non-repatriation basis from foreign investor; **(Not Applicable to the Company during the Audit Period)**
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period)**
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)** and
    - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company during audit period)** and
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the Company during audit period).**
    - i) The examination of compliance of the provisions of other special applicable laws was limited to the verification of procedure on test basis.



## ANNEXURE – IV FORM NO. MR-3 (CONTD.)

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited and NSE India Limited read with the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**I further report that:**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standard etc. referred to above.

**GIRISH MURARKA**  
Proprietor

**Girish Murarka & Co.**  
ACS No. 7036  
CP No. 4576

UDIN – A007036D000407018

Place: Mumbai  
Date: 27-05-2022

**ANNEXURE – IV FORM NO. MR-3 (CONTD.)**

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To,  
The Members  
**HARDOLI PAPER MILLS LIMITED**  
First Floor, Krishna Kunj,  
Bhavsar Chowk, C. A. Road,  
Nagpur 440 002

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**GIRISH MURARKA**  
Proprietor

**Girish Murarka & Co.**  
ACS No. 7036  
CP No. 4576

Place: Mumbai  
Date: 27-05-2022

UDIN – A007036D000407018

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**ANNEXURE – I**

**List of documents verified:**

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2021 and March 31, 2022
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013
8. E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.





## ANNEXURE – V

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**HARDOLI PAPER MILLS LIMITED**  
First Floor, Krishna Kunj,  
Bhavsar Chowk,  
Central Avenue,  
Nagpur 440 032

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hardoli Paper Mills Limited having L21010MH1995PLC085883 and having registered office at Krishna Kunj, First Floor, Bhavsar Chowk, C.A. Road, Nagpur-440032. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

S.No	Name of Director	DIN NO.	Date of Appointment	Date of Cessation
1.	Mr. Kailashchandra P. Agrawal	00367292	24/05/2007	---
2.	Mr. Anilkumar M. Lakhotiya	00367361	24/02/1995	---
3.	Mr. Jarnailsingh G. Saini	00367656	24/02/1995	---
4.	Mr. Omprakash D. Rathi	00895316	26/07/2018	---
5.	Mrs. Priyanka P. Deshmukh	08177708	26/07/2018	---
6.	Mr. Narasimhan Varadarajan	08177714	26/07/2018	---
7.	Mr. Prem Kewalramani	08177725	26/07/2018	---

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**GIRISH MURARKA**  
Proprietor

**Girish Murarka & Co.**

ACS No. 7036

CP No. 4576

UDIN – A007036D000646246

Place: Mumbai  
Date: 19/07/2022

**INDEPENDENT AUDITOR'S REPORT**

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To,

**THE MEMBERS OF HARDOLI PAPER MILLS LIMITED**

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

We have audited the financial statements of **Hardoli Paper Mills Limited** ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March, 2022, and the statement of Profit and Loss (including other comprehensive income), statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 Companies Act, 2013 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 on the standalone financial statement.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the financial statements and our auditor's report thereon and we do not express any form of assurance conclusion thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on work we have performed; we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 Companies Act, 2013, we give in the '**Annexure B**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

**INDEPENDENT AUDITOR'S REPORT (CONTD.)**

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- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement Cash Flow and the Statement of changes in equity are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure A**'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; 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, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed pending litigations and the impact on its financial position - refer note 39 to the Standalone Financial Statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There is no amount required to be transferred to investor education & protection fund.
  - (iv)
    - a) The Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under subclause (i) and (ii) of Rule 11 (e) as provided under paragraph (2) (h) (iv) (a) & (b) above, contain any material misstatement.
  - d) There has been no dividend declared or paid during the year by the company and hence compliance with section 123 of the Companies Act, 2013, is not applicable.

For **Darak And Associates**  
Chartered Accountants  
FRN: 132818W

**CA Amit M. Darak**  
Partner  
Membership No.144005  
UDIN: 22144005AKUHQ3197

Place:-Nagpur  
Date: 27-05-2022



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31ST MARCH 2022

(Referred to in our report of even date)

Referred in the Independent Auditors' Report of even date to the members of Hardoli Paper Mills Limited on the standalone financial statements as of and for the year ended March 31, 2022.

- I.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of Property, Plant & Equipment.
  - b) As per the information and explanation given to us, all the fixed assets have been physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanations given to us, the discrepancies noticed on physical verification as compared to book records maintained, if any, were not material and have been properly dealt with in the books of account. In our opinion, such frequency is reasonable having regard to the size of the Company and the nature of its fixed assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
  - d) As informed to us, the management has not revalued its Property, Plant and Equipment or Intangible assets or both during the year.
  - e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.
- II.
  - a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
  - b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned by the bank based on security of current assets of the Company. The company has filed the quarterly statements with such banks, which are in agreement with the audited books of accounts and no material differences are observed.
- III. According to the information and explanations given to us and on the basis of examination of books and records by us,
  - a) The Company has not made any investment in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships (LLPs) and other entities (Other than Employees).
  - b) In respect of the aforesaid investments/loans/advances in nature of the loan, the terms and conditions under which such loans were granted/investments were made are not prejudicial to the Company's interest.
  - c) In respect of the aforesaid loans/advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
  - d) There is no overdue amount in respect of loans or advances in the nature of loans granted other parties.
  - e) There were no loans/advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
  - f) The loans/advances in nature of loans (in the nature of salary advances) granted during the year, including to related parties had stipulated the scheduled repayment of principal and where applicable payment of interest.
- IV. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees and security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
- V. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted by the Company or amounts which are deemed to be deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits, and therefore, the question of our commenting on whether the same has been complied with or not does not arise.
- VI. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31ST MARCH 2022**

(Referred to in our report of even date)

- VII. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Goods & Service Tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no material undisputed amounts payable in respect of provident fund, employees state insurance, income tax, Goods & Service Tax, cess, professional tax and other material statutory dues were in arrears as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, as on 31<sup>st</sup> March 2022 there is no amount outstanding in respect of disputed income tax, Goods & Service tax, wealth tax, excise duty, cess, education cess and custom duty except for the following:

Name of the Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1994 and Cenvat Credit Rules, 2004	Excise Duty under Rule 14 and 11D of the Act Penalty u/s. 11AC of the Act	1,72,25,881 1,00,80,910	F.Y. 2008-09 to F.Y.2010-11	Custom, Excise & Service Tax Appellate Tribunal, Mumbai
	Excise Duty u/s 11A of the Act Penalty u/s 11AC of the Act	-- 6,67,226	For the period from July 2003 to March 2004	The Commissioner (Appeals), Customs, Central Excise & Service Tax, Nagpur
	Excise Duty u/s 11A of the Act Penalty u/s 11AC of the Act	-- 6,27,223	For the period from April 2004 to October 2004	The Commissioner (Appeals), Customs, Central Excise & Service Tax, Nagpur

- VIII. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been previously recorded in the books of account.
- IX. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has no subsidiaries, hence reporting under this clause not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- X. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment of equity shares during the year.
- XI. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under subsection (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31ST MARCH 2022

(Referred to in our report of even date)

- XII. The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- XIII. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.
- XIV. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- XV. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
d) According to the information and explanations provided to us during the course of audit, the Company does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- XVII. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- XVIII. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable
- XIX. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 44 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- XX. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable. Refer note 37 of the financial statements.
- XXI. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Darak And Associates**  
Chartered Accountants  
FRN: 132818W

**CA Amit M. Darak**  
Partner  
Membership No.144005  
UDIN: 22144005AKUHQ3197

Place:-Nagpur  
Date: 27-05-2022



**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT- 31ST MARCH 2022**

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

We have audited the internal financial controls over financial reporting of **Hardoli Paper Mills Limited** (“the Company”) as of 31<sup>st</sup> March 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**1. Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

**2. Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 with reference to financial statements over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 standalone 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 control system over financial reporting.

**3. Meaning of Internal Financial Controls with reference to financial statements**

A company’s internal financial controls 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 controls 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**4. Inherent Limitations of Internal Financial Controls with reference to financial statements**

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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**5. Opinion**

In our opinion, the Company has, in all material respects, an internal financial control with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Darak And Associates**  
Chartered Accountants  
FRN: 132818W

**CA Amit M. Darak**  
Partner

Membership No.144005  
UDIN: 22144005AKUHQ3197

Place:-Nagpur  
Date: 27-05-2022





## BALANCE SHEET AS AT 31ST MARCH, 2022

		₹ in Lakhs	
	Note No.	As At March 31, 2022	As At March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	2,079.48	2,162.30
Capital work-in-progress		403.81	3.13
Financial Assets		-	-
(i) Deposits	3	23.83	19.85
Other Non-current assets	4	232.33	116.37
<b>Total Non-current assets</b>		<b>2,739.45</b>	<b>2,301.65</b>
<b>Current assets</b>			
Inventories	5	515.93	675.14
Financial Assets		-	-
(i) Trade receivables	6	1,665.55	1,557.60
(ii) Cash and cash equivalents	7	0.79	3.34
(iii) Bank balances other than (ii) above	8	-	-
(iv) Other Financial assets	9	83.63	72.81
Other current assets	10	62.56	41.59
Current Tax assets (Net)	11	23.23	6.73
		<b>2,351.68</b>	<b>2,357.22</b>
<b>Total Assets</b>		<b>5,091.13</b>	<b>4,658.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	269.23	269.23
Other Equity		2,463.01	2,413.72
<b>Total Equity</b>		<b>2,732.24</b>	<b>2,682.95</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	13	430.66	319.86
(ii) Provisions	14	9.75	15.44
Deferred tax liabilities (Net)	15	161.51	194.75
		<b>601.92</b>	<b>530.05</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	16	568.42	435.76
(ii) Trade payables	17	873.56	796.28
(iii) Other financial liabilities	18	215.19	111.41
Other current liabilities	19	65.68	66.86
Provisions	20	34.11	35.56
<b>Total Current liabilities</b>		<b>1,756.97</b>	<b>1,445.87</b>
<b>Total Equity and Liabilities</b>		<b>5,091.13</b>	<b>4,658.87</b>
<b>Significant accounting policies &amp; Notes to Accounts</b>		1 to 46	
The accompanying notes are an integral part of these standalone financial statements.			

AS PER OUR REPORT OF EVEN DATE

For **DARAK AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM REGISTRATION NO. 132818W

**CA AMIT M. DARAK**  
**PARTNER**  
 Membership No. 144005  
 UDIN: 21144005AAAAAP8479  
 NAGPUR: 27.05.2022

FOR AND ON BEHALF OF THE BOARD

**ANIL KUMAR LAKHOTIYA** (DIN:00367361)  
**KAILASH AGRAWAL** (DIN:00367292)  
**JARNAIL SINGH SAINI** (DIN:00367656)

**OMPRAKASH RATHI** (DIN:00895316)  
**MAYANK LUNIYA**  
 NAGPUR: 27.05.2022

- **MANAGING DIRECTOR**
- **WHOLE TIME DIRECTOR**
- **CHIEF FINANCIAL OFFICER & EXECUTIVE DIRECTOR**
- **WHOLE TIME DIRECTOR**
- **COMPANY SECRETARY**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022**

₹ in Lakhs			
	Note No.	As At March 31, 2022	As At March 31, 2021
Revenue From Operations	21	11,240.22	8,197.59
Other Income	22	13.91	11.90
<b>Total Income</b>		<b>11,254.13</b>	<b>8,209.49</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	8,669.42	5,529.20
Trading Purchase		-	-
Changes in inventories of finished goods	24	-9.88	-82.48
Employee benefits expense	25	245.34	216.41
Finance costs	26	76.03	63.72
Depreciation and amortization expense	2	179.58	177.28
Other expenses	27	2,062.79	1,822.72
<b>Total expenses</b>		<b>11,223.27</b>	<b>7,726.84</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>30.86</b>	<b>482.65</b>
Exceptional Item		-	-
<b>Profit/(loss) before tax</b>		<b>30.86</b>	<b>482.65</b>
Tax expense:			
(1) Current tax		25.84	130.81
(2) Earlier Year Taxes		-	17.00
(3) MAT credit Entitlement		-	-
(4) Deferred tax		-33.24	-7.90
		<b>-7.40</b>	<b>139.91</b>
<b>Profit (Loss) for the year</b>		<b>38.25</b>	<b>342.73</b>
<b>Other Comprehensive Income</b>	28		
A (i) Items that will not be reclassified to profit or loss		11.04	11.30
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other Comprehensive Income</b>		11.04	11.30
<b>Total Comprehensive Income for the year</b>		<b>49.29</b>	<b>354.03</b>
1) Basic EPS (In ₹)	29	1.42	12.73
1) Diluted EPS (In ₹)		1.42	12.73
Significant accounting policies & Notes to Accounts	1 to 46		
The accompanying notes are an integral part of these standalone financial statements.			

AS PER OUR REPORT OF EVEN DATE

 For **DARAK AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM REGISTRATION NO. 132818W

**CA AMIT M. DARAK**  
**PARTNER**  
 Membership No. 144005  
 UDIN: 21144005AAAAAP8479  
 NAGPUR: 27.05.2022

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 - **COMPANY SECRETARY**



## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2022

		₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021	
<b>A. Equity Share Capital</b>			
Balance at the beginning of the year	269.23	269.23	
Changes in the Equity Share Capital during the year	-	-	
Balance at the end of the year	<b>269.23</b>	<b>269.23</b>	
<b>B. Other Equity</b>			
<b>Capital Reserve</b>			
Opening Balance	204.14	204.14	
Changes in accounting policy or prior period errors	-	-	
Restated balance at the beginning of the reporting period	204.14	204.14	
Movement during the year'	-	-	
<b>Closing Balance</b>	<b>204.14</b>	<b>204.14</b>	
<b>Securities Premium</b>			
Opening Balance	86.65	86.65	
Changes in accounting policy or prior period errors	-	-	
Restated balance at the beginning of the reporting period	86.65	86.65	
Movement during the year'	-	-	
<b>Closing Balance</b>	<b>86.65</b>	<b>86.65</b>	
<b>General Reserves</b>			
Opening Balance	18.00	18.00	
Changes in accounting policy or prior period errors	-	-	
Restated balance at the beginning of the reporting period	18.00	18.00	
Movement during the year'	-	-	
<b>Closing Balance</b>	<b>18.00</b>	<b>18.00</b>	
<b>Revaluation Surplus</b>			
Opening Balance	509.05	509.05	
Addition During Prior period	-	-	
Additions During the year	-	-	
Restated balance at the beginning of the reporting period	509.05	509.05	
Movement during the year'	-	-	
<b>Closing Balance</b>	<b>509.05</b>	<b>509.05</b>	
<b>Retained Earnings</b>			
Opening Balance	1,595.88	1,241.85	
Changes in accounting policy or prior period errors	-	-	
Change in PY Provision for Income Tax	-	-	
Restated balance at the beginning of the reporting period	1,595.88	1,241.85	
Profit for the year	38.25	342.73	
Other Comprehensive Income for the year	11.04	11.30	
Total Comprehensive Income for the year	49.29	354.03	
<b>Transactions with owners in capacity as owners</b>			
Dividends (including tax on dividend)	-	-	
Transfer to retained earnings	-	-	
Bonus shares, if any	-	-	
Movement during the year'	-	-	
<b>Closing Balance</b>	<b>1,645.18</b>	<b>1,595.88</b>	
	<b>2,463.01</b>	<b>2,413.72</b>	

The accompanying notes are an integral part of these standalone financial statements.

AS PER OUR REPORT OF EVEN DATE

For **DARAK AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM REGISTRATION NO. 132818W

**CA AMIT M. DARAK**  
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 Membership No. 144005  
 UDIN: 21144005AAAAAP8479  
 NAGPUR: 27.05.2022

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

	₹ in Lakhs	
	As at March 31, 2022	As At March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE INCOME TAX</b>	<b>30.86</b>	<b>482.65</b>
Adjustments for:		
Other comprehensive Income - Acturial Gain / (loss)	11.04	11.30
Depreciation, amortisation and impairment	179.58	177.28
Finance costs	76.03	63.72
Net (Gain)/ Loss on disposal of property, plant and equipment	-	13.85
<b>Operating profit before working capital changes</b>	<b>297.51</b>	<b>748.79</b>
<b>Change in operating assets and liabilities:</b>		
(Increase)/ Decrease in inventories	159.21	3.10
(Increase)/ Decrease in trade receivables	-107.95	-609.06
(Increase)/ Decrease in other financial assets	-10.82	12.62
(Increase)/ Decrease in other current assets	-20.96	8.97
(Increase)/ Decrease in other Bank Balance	-	0.83
Increase/ (Decrease) in trade payables	77.29	205.82
Increase/ (Decrease) in other Non Current Provisions	-5.69	-6.40
Increase/ (Decrease) in other financial liabilities	-0.94	3.58
Increase/ (Decrease) in other current liabilities	-1.17	61.48
Increase/ (Decrease) in provisions	-1.46	4.31
(Increase)/ Decrease in other financial assets (Non Current)	-3.98	2.28
(Increase)/ Decrease in other non-current assets	-5.47	-24.65
<b>Changes in Working Capital</b>	<b>78.06</b>	<b>-337.10</b>
<b>Cash generated from Operations</b>	<b>375.57</b>	<b>411.69</b>
<b>Income taxes paid (net of refunds)</b>	<b>-42.34</b>	<b>-130.61</b>
<b>NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES</b>	<b>333.23</b>	<b>281.08</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	-607.92	-116.83
Proceeds from sale of property, plant and equipment	-	0.80
<b>NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES</b>	<b>-607.92</b>	<b>-116.03</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (Decrease) in Borrowing	132.66	-182.67
Repayment of borrowings	216.91	86.20
Interest paid	-77.42	-68.07
<b>NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES</b>	<b>272.15</b>	<b>-164.54</b>
<b>D NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>-2.55</b>	<b>0.51</b>
<b>E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>3.34</b>	<b>2.83</b>
<b>F CASH AND CASH EQUIVALENTS AT END OF THE YEAR.</b>	<b>0.79</b>	<b>3.34</b>

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

AS PER OUR REPORT OF EVEN DATE

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 NAGPUR: 27.05.2022

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- **COMPANY SECRETARY**



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

### NOTE 1: BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

#### I. Corporate Information

Hardoli Paper Mills Limited (the Company), is incorporated on 24<sup>th</sup> February, 1995 as a Public Limited Company under the Companies Act, 1956. The Company has its registered office in Nagpur, Maharashtra, India. It has its listing on Metropolitan Stock Exchange in India.

The Company manufactures Kraft paper of various grades which are used as packing material. The Company sells the Kraft Paper directly to various parties and through network of dealers in the domestic as well as international market. The manufacturing facility of the company is situated at village Hardoli, Nagpur District, Maharashtra, India.

#### II. Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### a. Basis of preparation

###### Compliance with Ind AS.

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

###### Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1. Factory Land and Building of Property plant and equipment which were revalued in FY 2017-18 and no material change in the fair value of current financial year.
2. Certain financial assets and liabilities that are measured at fair value;
3. Defined benefit plans – plan assets measured at fair value.

##### b. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding 12 months) and other criteria set out in the schedule III of the act.

##### c. Revenue recognition

The Company earns the revenue primarily from the manufacturing of various grades of Kraft Papers.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of GST, returns, rebates and discounts.

Income from services rendered is recognized based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

**Interest income** is recognized on accrual basis at effective interest rate (EIR).

**PSI Subsidies, Incentives** are recognized when the right to receive credit as per the terms of the scheme is established after the receipt of provisional sanction from the District Industries Centre and when there is certainty of realization.

##### d. Property, plant and equipment

Property, Plant and Equipment are stated at cost net of GST, if any and subsequently at cost less depreciation and impairment losses if any.

###### Freehold Land & Factory Building

Freehold land is stated at fair value. Factory Building is stated at fair value. Fair values of land and building are estimated by management with the useful life of 30 years in case of building. Management estimate is based on the valuation report

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

dated 5<sup>th</sup> October 2017 issued by an independent professional valuer. As per the management estimation there is no material change in the fair value as of Free Hold Land & Factory Building as on 31<sup>st</sup> March, 2022.

Factory Building is stated at fair value less depreciation as stated above.

**Other Property, plant and equipment**

All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, Plant and equipment are derecognized from the financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the statement of Profit & Loss in the year of occurrence.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The estimated useful life on a straightline basis of amortisation is mentioned below:

Type of Asset	Useful life
Building	30
Plant & Machinery	15
Computer equipment	3
Vehicles	8
Office equipment	5
Electrical Installations	10
Furniture & Fixtures	10

**Capital Work-in-Progress**

Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- i) Plant and equipment is depreciated over 15 years based on the technical evaluation of useful life done by the management.
- ii) Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase. Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

**e. Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods, Stock-in-trade and Property under development are stated 'at cost or net realizable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**Raw Materials**

These inventories are valued at lower of cost or realizable value. Cost is determined on First-in-First-Out basis.

**Stores, Spares, Packing Materials & Consumables**

These inventories are valued at lower of cost or realizable value. Cost is determined on First-in-First-Out basis.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

### **Manufactured Finished Goods**

Finished goods stock is valued at cost or net realizable value, whichever is lower. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

### **f. Foreign currency transactions**

Transactions in the foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit & Loss in the period in which they arise. The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains/losses in the statement of Profit & Loss.

### **g. Lease**

#### **Operating Lease:**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating lease is charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

### **h. Financial Instruments:**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

#### **Non-derivative financial instruments:**

#### **a. Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

#### **b. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **c. Financial assets at fair value**

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

#### **d. Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

**i. Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**j. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

**k. Provisions, contingencies and commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is-

- i. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- ii. A present obligation that arises from past events but is not recognized because:
  - a. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. The amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

**l. Employee benefits**

The Company has following post-employment plans:

**i. Defined benefit plans – gratuity**

- a. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.
- b. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.  
Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements.

**Net interest expense or income:**

- c. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.
- d. Re-measurement comprising of actuarial gains and losses arising from Re-measurement of Actuarial gains/ (losses) Return on plan assets, excluding amount recognized in effect of asset ceiling Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

- e. Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.
    - ii. **Defined contribution plans - provident fund**

It is accounted on accrual basis with the contributions to the Employee Provident Fund administered by the Central Government.
    - iii. **Short-term and other long-term employee benefits**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.
  - m. **Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.
  - n. **Earnings per share**
    1. **Basic earnings per share**

**Basic earnings per share** is computed by dividing:

      - The profit/ (loss) attributable to the owners of the Company
      - By the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)****2. Diluted earnings per share**

**Diluted earnings per share** is computed by dividing:

- The profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares
- By the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**3. Potential equity shares**

**Potential equity shares** are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

**o. Exceptional items**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**p. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places as per the requirement of Schedule III, unless otherwise stated.

**III. Key Accounting Estimates and Judgments**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised.

**Judgements**

In the process of applying the company's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation and Leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Useful life of Property, plant and equipment**

The company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expenses in the future years.

**Standards issued but not yet effective**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

NOTE 2 : PROPERTY, PLANT & EQUIPMENT

₹ in Lakhs)

Asset Category	Freehold Land	Buildings	Plant & Machinery	Motor Vehicles	Computers	Office Equipments	Furniture and Fittings	Electrical Installations	Capital WIP
<b>Gross Block</b>									
At April 01 2020	339.65	560.16	2,172.94	29.91	10.57	8.84	18.20	285.07	4.02
Additions	-	29.07	52.35	-	-	4.15	0.48	4.23	59.73
Disposals			72.28	-	3.13	2.75	5.38	27.42	60.63
At March 31 2021	339.65	589.23	2,153.00	29.91	7.45	10.24	13.30	261.88	3.13
Additions	-	23.63	68.04	-	1.24	1.00	0.14	2.70	440.23
Disposals	-	-	-	-	-	-	-	-	39.55
At March 31 2022	339.65	612.86	2,221.04	29.91	8.69	11.24	13.44	264.59	403.81
<b>Depreciation</b>									
At April 01 2020	-	37.01	924.31	1.90	9.39	7.54	14.78	166.47	-
Additions	-	18.34	134.66	3.69	0.47	1.03	0.47	18.62	-
Disposals	-	-	64.01	-	2.97	2.59	5.11	21.63	-
At March 31 2021	-	55.35	994.96	5.59	6.89	5.99	10.14	163.46	-
Additions	-	19.05	136.29	3.69	0.42	1.14	0.49	18.50	-
Disposals	-	-	-	-	-	-	-	-	-
At March 31 2022	-	74.40	1,131.25	9.28	7.30	7.13	10.63	181.96	-
At April 01 2020	339.65	523.15	1,248.63	28.02	1.18	1.30	3.42	118.60	4.02
At March 31 2021	339.65	533.88	1,158.04	24.32	0.56	4.26	3.16	98.43	3.13
At March 31 2022	339.65	538.46	1,089.79	20.63	1.38	4.11	2.81	82.63	403.81

Note :

- 1) Depreciation on building includes the depreciation charged on revalued amount of ₹ 573063/-.

Capital Work in Progress (CWIP) ageing schedule

(a) CWIP ageing schedule as on March 31, 22

CWIP	Amount in CWIP for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	
- Project in Progress					
Power Plant	196.84	-	-	-	196.84
Existing Plant	206.97	-	-	-	206.97
<b>Total</b>	<b>403.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403.81</b>

(b) CWIP ageing schedule as on March 31, 21

CWIP	Amount in CWIP for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	
- Project in Progress					
Power Plant	-	-	-	-	-
Existing Plant	3.13	-	-	-	3.13
<b>Total</b>	<b>3.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.13</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>NOTE 3 : DEPOSITS (FINANCIAL ASSETS)</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Long term Deposit with Banks maturing after 12 months		
Fixed deposits are lien marked for total facility against the said fixed deposit.	23.83	19.85
(Fixed deposits are lien marked for total facility against the said fixed deposit.)		
	<b>23.83</b>	<b>19.85</b>
<b>NOTE 4 : OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advance for Capital Goods	137.94	27.45
Long Term Deposits	5.90	5.16
Balance with Government Authorities	88.49	83.76
	<b>232.33</b>	<b>116.37</b>
<b>NOTE 5 : INVENTORIES</b>		
(Valued at cost or net realisable value whichever is less)		
Raw Materials	235.00	419.72
Stores, Packing Material & Fuel	110.05	94.42
Finished Goods	170.88	161.00
(Note- Inventories have been hypothecated with banks against cash credit facility.)		
	<b>515.93</b>	<b>675.14</b>
<b>NOTE 6 : TRADE RECEIVABLES</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Considered Good	-	-
Related Party	94.82	197.74
Other party	1,570.72	1,359.86
	<b>1,665.55</b>	<b>1,557.60</b>

**Trade Receivable ageing schedule**

Particulars	Outstanding for following periods from due date of payment - March 31, 2022				
	<6 Months	6Month-1Year	1-2 Years	More than 2 Years	Total
(i) Undisputed Trade receivables	1,665.55	-	-	-	1,665.55
-considered good					
(i) Undisputed Trade receivables	-	-	-	-	-
-considered doubtful					
(iii) Disputed trade receivables considered good	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

Particulars	Outstanding for following periods from due date of payment - March 31, 2021				
	<6 Months	6Month-1Year	1-2 Years	More than 2 Years	Total
(i) Undisputed Trade receivables -considered good	1,557.60	-	-	-	1,557.60
(ii) Undisputed Trade Receivables - which have significant increase in credit risk.	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-

note- a) trade receivables have been hypothecated with banks against cash credit facility.

b) credit risk arising from trade receivables is managed in accordance with company's established policy with regard to credit limits, control and approval procedure. the company provides for expected credit losses on trade receivables based on simplified approach as per ind as 109 under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. this allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates of future uncertainties etc. further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectable in full, based on historical payment behavior and extensive analysis of customer credit risk.

₹ in Lakhs

	As At March 31, 2022	As At March 31, 2021
<b>NOTE 7 : CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents		
Cash on Hand	0.68	2.56
Balances with Banks		
Current Account	0.11	0.78
	<b>0.79</b>	<b>3.34</b>

**NOTE 8 : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

Other Bank Balance	-	-
	-	-

**NOTE 9 : OTHER FINANCIAL ASSETS**

**Unsecured & Considered Good**

Loans & Advances to Employees	3.46	2.07
PSI Under Sales Tax receivable	80.17	70.74
	<b>83.63</b>	<b>72.81</b>

**NOTE 10 : OTHER CURRENT ASSETS**

Advance to Suppliers	43.77	18.41
Prepaid Expenses	10.99	6.37
Insurance Claim Receivable	3.67	5.45
Import Claim Receivable	4.13	-
Deposits	-	11.37
	<b>62.56</b>	<b>41.59</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>NOTE 11 : CURRENT TAX ASSET (NET)</b>		
Income Tax Receivables (Net)	23.23	6.73
	<b>23.23</b>	<b>6.73</b>

**NOTE 12 : SHARE CAPITAL  
AUTHORISED CAPITAL**

35,00,000 Equity Shares of ₹10/- each (35,00,000 Equity Shares of ₹ 10/- each)	350.00	350.00
	<b>350.00</b>	<b>350.00</b>

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

26,92,265 Equity Shares of ₹ 10/- each fully paid up (26,92,265 Equity Shares of ₹ 10/- each fully paid up)	269.23	269.23
	<b>269.23</b>	<b>269.23</b>

**a. Details of shareholders holding more than 5% shares in the company**

NAME OF SHAREHOLDER	31.03.2022 % Held	31.03.2021 % Held	No.of Shares	No.of Shares
Omprakash Damodar Rathi	9.93	9.93	2,67,360	2,67,360
Kailash P. Agarwal	8.99	8.99	2,41,995	2,41,995
Akshay Omprakash Rathi	8.48	8.48	2,28,405	2,28,405
Anil Kumar Lakhotiya	6.92	6.92	1,86,295	1,86,295
Mangla Omprakash Rathi	5.61	5.61	1,50,945	1,50,945
Anilkumar Lakhotiya HUF	5.09	5.09	1,37,078	1,37,078

**b. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

	No.of Shares	No.of Shares
Equity Shares at the beginning of the year	26,92,265	26,92,265
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	<b>26,92,265</b>	<b>26,92,265</b>

**c. The Company has not allotted any shares for consideration other than cash during 5 years preceding March 31, 2022**
**d. Rights, preferences and restrictions attached to shares**
**Equity shares**

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

e. Details of Shares held by promoters:-

As at March 31, 2022

Pomoter Name	No. of Shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Omprakash Rathi	2,67,360	-	2,67,360	9.93%	0.00%
Kailash Purushottam Agrawal	2,41,995	-	2,41,995	8.99%	0.00%
Anilkumar Murarilal Lakhotiya	1,86,295	-	1,86,295	6.92%	0.00%
Jarnailsingh Gurdasssingh Saini	1,13,805	-	1,13,805	4.23%	0.00%
Kamalkumar Kailash Agrawal	39,520	-	39,520	1.47%	0.00%
Rajindersingh Bishansingh Saini	3,600	-	3,600	0.13%	0.00%
Rajiv Behal	100	-	100	0.00%	0.00%

As at March 31, 2021

Pomoter Name	No. of Shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Omprakash Rathi	2,67,360	-	2,67,360	9.93%	0.00%
Kailash Purushottam Agrawal	2,41,995	-	2,41,995	8.99%	0.00%
Anilkumar Murarilal Lakhotiya	1,86,295	-	1,86,295	6.92%	0.00%
Jarnailsingh Gurdasssingh Saini	1,13,805	-	1,13,805	4.23%	0.00%
Kamalkumar Kailash Agrawal	39,520	-	39,520	1.47%	0.00%
Rajindersingh Bishansingh Saini	3,600	-	3,600	0.13%	0.00%
Rajiv Behal	100	-	100	0.00%	0.00%

NOTE 13 : BORROWINGS

₹ in Lakhs

	As At March 31, 2022	As At March 31, 2021
<b>Secured</b>		
<u>From Banks</u>		
<b>Term Loan from Bank (Refer Note. 18)</b>	62.44	12.92
1) Term Loan is secured by the assets to be created out of Bank Finance including Hypothecation of Plant & machineries purchased out of Bank Finance. Hypothecation of Plant & Machineries: Captive Power Plant to be brought in.		
2) Equitable Mortgage of Agriculture Land in the name of " Mr. Jarnailsingh Saini" being Survey Number, Khasra No. 20, situated at open Land at kh No. 20/1, P H No 67, Mouje: Hardoli, Tq: Katol, Dist: Nagpur- 441103, Admeasuring Total area 2.00 Hr.		
3) Total Term Loan of ₹ 7.75 Crores, of which the Term Loan disbursed till date is 2.17 crores. As per the sanctioned terms the Term Loan should be availed within 3 Months of Sanction i.e. latest by March 22, and repayment to start from April 22. However due to unfavourable conditions, the commissioning of Captive Power plant could not be completed and the whole Term Loan amount is not availed till March 22. As per the management the commissioning of plant to be completed by 31 <sup>st</sup> August, 2022. However they have requested bank to start the repayment from October 2022. The bank has already deducted one installment of April 2022, as per the sanctioned Terms and the bifurcation of Long Term & Short term loans is done on the basis of Sanction Letter as no official communication of deferment of EMI is received from Bank.		

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

₹ in Lakhs

	As At March 31, 2022	As At March 31, 2021
<b>WCTL from Bank (Refer Note. 18)</b>	128.01	105.44
1) Working Capital Term Loan (WCTL) is secured by the hypothecation & first charge on existing as well as future entire stock of raw materials, finished goods, stock-in-process, stores and spares, packing materials at the factory premises or at some other places including goods in transit, outstanding moneys, book debts and receivables with the personal guarantees of the directors.		
2) Fund Based Working Capital Term loan was sanctioned on 05.04.2021 which is repayable in 4 years including the moratorium of 12 months. The repayment will start from June 21 with the monthly repayment of ₹ 4.06 Lacs payable in 36 monthly installments.		
<b>Unsecured Loans</b>		
From Others		
Related Parties - Repayable on demand after 1st April, 2023	240.21	201.50
	<b>430.66</b>	<b>319.86</b>

**NOTE 14 : NON CURRENT - PROVISIONS**

Employee Benefits	9.75	15.44
	<b>9.75</b>	<b>15.44</b>

**NOTE 15 : DEFERRED TAX LIABILITIES / (ASSETS)**
**Deferred Tax**
**(a) Breakup of Deffered Tax Liability at the end of the year.**
Nature of Timing Difference

Property Plant & Equipment	168.11	197.96
<b>Total Deffered Tax liability</b>	<b>168.11</b>	<b>197.96</b>

**(a) Breakup of Deffered Tax Assets at the end of the year.**
Nature of Timing Difference

Dissallowances u/s 43B and others	6.59	3.21
<b>Total Deffered Tax liability</b>	<b>6.59</b>	<b>3.21</b>

<b>Deferred Tax Asset /Liabilities(Net)</b>	<b>161.51</b>	<b>194.75</b>
<b>Total</b>	<b>161.51</b>	<b>194.75</b>

**NOTE 16 : SHORT TERM BORROWINGS**
**Secured**
From Banks

Working Capital Facilities	568.42	435.76
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(Secured by way of hypothecation of entire stock of the unit at its godowns or at some other places including goods in transit ,outstanding moneys,book debts, receivable, both present and future including personal guarantee of all the Directors & the Promoters of the Company. These borrowings are repayable on demand.)

	<b>568.42</b>	<b>435.76</b>
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>NOTE 17: TRADE PAYABLES</b>		
Payable for Goods & Services		
Total outstanding dues to micro, small and medium enterprises	253.63	230.65
Total outstanding dues other than micro enterprises & small enterprises	619.94	565.63
	<b>873.56</b>	<b>796.28</b>

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	Outstanding for following periods from due date of payment - March 31, 2022				
	<6 Months	6Month-1Year	1-2 Years	More than 2 Years	Total
(i) MSME	253.63	-	-	-	253.63
(ii) Others	619.94	-	-	-	619.94
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment - March 31, 2021				
	<6 Months	6Month-1Year	1-2 Years	More than 2 Years	Total
(i) MSME	230.65	-	-	-	230.65
(ii) Others	565.63	-	-	-	565.63
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

	2021-22	2020-21
<b>1) The Principle amount and interest due there on remaining unpaid to suppliers under MSMED Act:</b>		
Principle	<b>253.63</b>	<b>230.65</b>
Interest	-	-
ii) The amount of interest credit by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>NOTE 18: OTHER FINANCIAL LIABILITIES : CURRENT</b>		
Current Portion of Long Term Borrowings (Refer Note. 13)		
- Term Loan from Bank	155.00	57.00
- WCTL from Bank	48.67	40.56
- Interest Accrued but not due on Term Loans	-	1.39
Remuneration Payable	-	2.16
Employee Payables	11.52	10.30
	<b>215.19</b>	<b>111.41</b>
<b>NOTE 19 : OTHER CURRENT LIABILITIES</b>		
Statutory Dues	65.68	66.86
	<b>65.68</b>	<b>66.86</b>
<b>NOTE 20 : PROVISIONS</b>		
Bonus, Leave Encashment Payable	17.08	14.99
Current Provision for Gratuity (Refer Note 34)	17.03	17.76
CSR Expenses to be Incurred	-	2.81
	<b>34.11</b>	<b>35.56</b>
<b>NOTE 21 : REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
- Manufacturing Sales	11,145.89	8,009.03
	<b>11,145.89</b>	<b>8,009.03</b>
<b>Other Operating Revenue</b>		
- PSI Subsidy	94.33	188.57
	<b>11,240.22</b>	<b>8,197.59</b>
<b>NOTE 22 : OTHER INCOME</b>		
Gain /(Loss) on Foreign Exchange Fluctuation	12.31	10.88
Sale of Scrap	-	0.26
Interest Income	1.60	0.76
	<b>13.91</b>	<b>11.90</b>
<b>NOTE 23 : COST OF MATERIAL CONSUMED</b>		
Opening Stock	419.72	468.10
Add: Purchases	8,484.70	5,480.82
	<b>8,904.42</b>	<b>5,948.91</b>
Less: Closing Stock	235.00	419.72
	<b>8,669.42</b>	<b>5,529.20</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>NOTE 24 :CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock	161.00	78.52
Less : Closing Stock	170.88	161.00
	<b>-9.88</b>	<b>-82.48</b>
<b>NOTE 25 :EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	219.05	191.79
Contribution to Funds	24.30	21.56
Staff Welfare Expenses	1.98	3.07
	<b>245.34</b>	<b>216.41</b>
<b>NOTE 26 :FINANCE COSTS</b>		
Interest Expenses	73.44	59.51
Other Borrowing Cost	2.59	4.21
	<b>76.03</b>	<b>63.72</b>
<b>NOTE 27 :OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Factory Expenses	51.19	42.51
Finished Goods Packing and Allied Charges	32.82	28.55
Packing Material Consumed	90.76	68.76
Power and Fuel Consumed	1,405.80	1,239.39
Raw Material Sorting Charges	40.44	38.61
Repairs & Maintenance	-	-
- Machinery	63.20	106.62
- Building	0.49	6.88
Security Service Charges	7.84	7.03
Stores & Spares Consumed	171.05	82.06
Waste paper Feeding Charges	63.04	61.30
( A )	<b>1,926.64</b>	<b>1,681.71</b>
<b>ESTABLISHMENT EXPENSES</b>		
Statutory Audit Fees	2.75	2.75
Internal Audit Fees	2.00	1.80
Audit Expenses	0.01	0.04
Bank Commission & Charges	5.15	2.26
Bad Debts	0.06	-
CSR Expenses (Refer Note 37)	13.09	9.10
Donation	0.27	0.56
Insurance Charges	11.41	9.07
General Expenses	11.24	6.76
GST Audit Fees	-	0.45
Legal & Professional Charges	17.68	12.25

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
Listing Expenses	1.03	0.09
Loss on Sale / Disacrdment of PPE	-	13.85
Office Expenses	3.44	2.98
Printing & Stationery	1.83	3.01
Rates & Taxes	6.56	5.55
Repairs & Maintenance	-	-
- Vehicle	9.73	7.94
- Others	5.02	8.06
Rent for Office Premises	4.68	3.20
Travelling & Conveyance	3.33	1.73
Telephone Charges	0.71	0.66
<b>( B )</b>	<b>99.99</b>	<b>92.11</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement	1.26	1.15
Insurance on Sales	3.69	2.95
<b>Clearing &amp; Forwarding Expenses</b>	17.24	22.78
Commission on sales	13.97	22.02
<b>( C )</b>	<b>36.16</b>	<b>48.89</b>
<b>( A+ B + C )</b>	<b>2,062.79</b>	<b>1,822.72</b>

**NOTE 28 : OTHER COMPREHENSIVE INCOME**

<b>A (i) Items that will not be reclassified in the profit &amp; loss</b>		
Remeasurement of defined benefit liabilities	11.04	11.30
Revaluation Surplus on Revaluation of Fixed Assest ( Land & Building)	-	-
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>		
	<b>11.04</b>	<b>11.30</b>
<b>B (i) Items that will be reclassified to the profit &amp; loss</b>		
<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>	-	-
	-	-
<b>Total (A+B)</b>	<b>11.04</b>	<b>11.30</b>

**NOTE 29 : EARNING PER SHARE**

Net Profit after tax from continuing operation	38.25	342.73
Weighted average number of Equity shares outstanding (Face Value of ₹ 10 per Eq. Share)	26,92,265	26,92,265
Earning per share (In ₹)	1.42	12.73
Diluted Earning per Share (In ₹)	1.42	12.73



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>NOTE 30 : SUPPLEMENTARY INFORMATION</b>		
<b>A. CIF VALUE OF IMPORTS</b>		
Raw Material - Waste Paper	1,604.74	1,017.99
Capital Goods (Capital WIP)	48.15	5.26
Stores & Spare Parts	5.87	9.82
<b>B. STOCKS</b>		
<b>RAW MATERIAL</b>		
Waste Paper	205.24	396.02
Chemicals	29.75	23.70
<b>C. FINISHED GOODS</b>		
Kraft Paper	170.88	82.38
Finished Goods (Sale in Transit)	-	78.62
<b>D. VALUE OF RAW MATERIAL, STORES &amp; SPARES CONSUMPTION:</b>		
<b>Imported</b>		
<b>Raw Material</b>		
Waste Paper		
Value	1,834.18	1,299.43
Percentage of Total Consumption	22%	25%
<u>Stores &amp; Spare Parts</u>		
Value	5.87	9.82
Percentage of Total Consumption	3%	11%
<b>Indigenous</b>		
<b>Raw Material</b>		
<u>Waste Paper</u>		
Value	6,351.14	3,882.68
Percentage of Total Consumption	78%	75%
Chemicals		
Value	485.52	355.17
Percentage of Total Consumption	100%	100%
<u>Stores &amp; Spare Parts</u>		
Value	171.05	82.06
Percentage of Total Consumption	97%	89%
<b>E. SALES</b>		
<b>Kraft Paper</b>		
Manufacturing Sales (Net of Taxes)		
Kraft Paper	11,240.22	8,197.59
	As At March 31, 2022 (₹)	As At March 31, 2021 (₹)

**NOTE 31 : AUDITORS REMUNERATION**

<b>Audit fee</b>	2.75	2.75
Audit Expenses	0.01	0.04
	<u>2.76</u>	<u>2.79</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**
**₹ in Lakhs**

	Notes	As At March 31, 2022	As At March 31, 2021
<b>NOTE 32: FAIR VALUE DISCLOSURES</b>			
The carrying value and fair value of financial assets/liabilities by categories are as follows:			
<b>Financial Assets</b>			
a) Trade Receivables	<b>6</b>	1,665.55	1,557.60
b) Cash and Cash Equivalents	<b>7</b>	0.79	3.34
c) Bank Balances other than above	<b>8</b>	-	-
d) Other Financial Assets	<b>9</b>	83.63	72.81
		<b>1,749.96</b>	<b>1,633.75</b>
<b>Financial Liabilities</b>			
a) Borrowings	<b>16</b>	568.42	435.76
b) Trade Payables	<b>17</b>	873.56	796.28
c) Other Financial Liabilities	<b>18</b>	215.19	111.41
<b>Total</b>		<b>1,657.18</b>	<b>1,343.45</b>

**Fair value hierarchy and method of valuation**

The company considers that the carrying value amount recognised in the financial statements approximates the fair value largely due to the short term maturities of these instruments.

**Risk Management Framework**

The company's principle financial liabilities includes borrowings, trade payables and other payables. The company's principal financial assets includes loans, cash and cash equivalents and others. The company is exposed to credit risk, liquidity risk and market risk. The company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

**Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

- i) **Credit Risk** : Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers, investment in inter corporate deposit and loans given to related parties.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade Receivables** : The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Each outstanding customer receivables are regularly monitored and if outstanding is above due date, the further sales are controlled and can only be released if there is a proper justification. No impairment is observed in the carrying value of trade receivables.

**Other Financial Assets**: Credit risk from balances with banks and loans, advances are managed by responsible and authorised person of the Company. Investments of surplus funds are made only with approved counterparties.

- ii) **Liquidity Risk** : Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds and inter-corporate loans.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

- iii) **Market Risk :** Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.
- a) **Foreign currency risk** is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.
- b) **Interest rate risk :** Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

### Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars Variable - rate Instruments	₹ in Lakhs	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Term Loan including WCTL from Bank	190.45	118.37
Current Borrowings (Working Capital Facility)	568.42	435.76
Current maturities of non-current borrowings	203.67	97.56
	<u>962.54</u>	<u>651.68</u>

### NOTE 33: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021

### NOTE 34 : DISCLOSURE REQUIRED BY IND AS 19-EMPLOYEE BENEFITS

#### (a) Defined Benefit Plans:

##### Gratuity Fund

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with IND AS 19.

##### Reconciliation of present value of the obligation and the fair value of plan assets

##### Reconciliation of Opening and Closing balance of the Present Value of the defined benefit obligation

Obligation at period beginning	74.38	77.19
Current service cost	7.30	5.75
Interest Cost	5.11	5.30
Actuarial (gain) / loss	-2.47	-0.06
Benefits paid	-2.18	-2.38
Actuarial (gain) / loss due to Experience	-8.66	-11.42
<b>Obligations at the year end</b>	<u>73.47</u>	<u>74.38</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
Change in Plan Assets		
Plan assets at period beginning, at fair value	47.79	44.95
Expected return on plan assets	3.28	3.08
Actuarial gain / (loss)	-0.09	-0.18
Contributions	3.83	2.31
Benefits paid	-2.18	-2.38
<b>Plan assets at the year end, at fair value</b>	<b>52.62</b>	<b>47.79</b>
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
Fair Value of plan assets at the end of the year	-52.62	-47.79
Present value of the defined benefit obligations at the end of the year	73.47	74.38
<b>Liabilities/(Assets) recognised in the Balance Sheet</b>	<b>20.84</b>	<b>26.59</b>
Cost for the year		
Current service cost	7.30	5.75
Past Service Cost	-	-
Interest Cost	5.11	5.30
Expected return on plan assets	-3.28	-3.08
Actuarial (gain) / loss	-11.04	-11.30
<b>Net Cost recognised in the Statement of Profit and Loss</b>	<b>-1.92</b>	<b>-3.34</b>
Assumptions used to determine the benefit obligation:		
Discount Rate	7.27%	6.87%
Estimated rate of return on plan assets	7.27%	6.87%
Expected rate of increase in salary	6.00%	6.00%
Attrition Rate	20.54%	19.74%
<b>Actual return on plan assets</b>	<b>3.19</b>	<b>2.90</b>

**(b) Provident Fund**

"Contribution to provident and other funds" is recognised as an expense in the Statement of Profit and Loss.

**NOTE 35 :**

Pursuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated /amortised over the revised/remaining useful lives. The entity adopts the revaluation model under IND AS 16 for Land and Building pertaining to same class of assets. As per the management's estimation there is no material change in the valuation of Factory Land & Building hence the no change in the valuation of Factory & Building.

**NOTE 36 :**

The company has obtained its office premises for its business operations under operating lease or leave and license agreement. These are generally cancellable under leave and licence, or renewed longer for other lease and are renewable by mutual consent on mutually agreeable terms. Lease payments are recognised in the Statement of Profit and Loss under "Rent" in Note 27.

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>NOTE 37: CORPORATE SOCIAL RESPONSIBILITY</b>		
Promotion of Education	3.76	0.85
Rural Development Projects	4.29	5.44
Benefit of Police and their Family	0.13	-
Sports Promotion	0.21	-
Prime Minister Relief Fund	6.33	-
Promoting Gender Equality	1.18	-
<b>Total</b>	<b>15.90</b>	<b>6.29</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
CSR Expenses Incurred in Subsequent FY	-	-
Amount Incurred in Current FY Relating to Previous FY	-6.33	-3.52
<b>Total</b>	<b>9.57</b>	<b>2.77</b>
Amount required to be spent as per Section 135 of the Act:	9.39	9.10
<b>Unspent CSR Expenses / (Excess Incurred)</b>	<b>-0.18</b>	<b>6.33</b>

**NOTE 38 : RELATED PARTIES DISCLOSURE****Directors/ Key Management Personnel**

Mr. Kailashchand Agarwal  
 Mr. Anilkumar Lakhotiya  
 Mr. Jarnailsingh Saini  
 Mr. Omprakash D. Rathi

**Enterprises in which there is a significant influence of Members/Directors**

Kaygaon Paper Mills Private Limited  
 Saini Transport Company  
 Chandra Sales Corporation  
 Chandra Coal Private Limited

**Others****(a) Director's & Key Management Personnel Relative**

Mr. Sartaj Manindersingh Saini	Mrs. Anita Lakhotiya
Mrs. Sushil Kaur Saini	Mrs. Kajal Sanjay Agarwal
Mr. Karnailsingh Saini	Mr. Kailash Kaur
Mr. Baljit Singh Saini	Mrs. Snehlata A Lakhotiya
Mr. Kuldeep Singh Saini	Mrs. Hazelkaur Manindersingh Saini
Mrs. Baljit Kaur	Mrs. Sanjamkaur Saini
Ms. Navita K. Agrawal	Mr. Prakashkaur Saini
Mrs. Amarjit kaur Saini	Gurmitsingh Gurdassingh (HUF)
Mrs. Satnamkaur Karnail Singh Saini	Mrs. Snehlata A Lakhotiya
Mr. Gaurav A Lakhotiya	Karnail singh Gurudassingh (HUF)
	Mrs. Garima Maheswari

	₹ in Lakhs	
	As At March 31, 2022	As At March 31, 2021
<b>Disclosure of material transaction with related parties</b>		
<b>RELATED PARTY TRANSACTIONS DURING THE YEAR</b>		
<b>Profit &amp; loss A/c</b>		
<b>Sales</b>		
Kaygaon Paper Mills Private Limited	-	-
<b>Freight Charges</b>		
Saini Transport Company	51.18	63.80
<b>Interest Paid</b>		
Mr. Anil kumar Lakhotiya	5.15	1.80
Mr. Omprakash Damodar Rathi	-	-
Mr. Jarnailsingh Saini	5.26	5.26

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

		₹ in Lakhs	
		As At March 31, 2022	As At March 31, 2021
Mr. Sartaj Manindersingh Saini		1.45	1.35
Mrs. Baljit Kaur Manindersingh Saini		0.97	0.90
Mrs. Anita Lakhotiya		0.77	0.72
Mrs. Kailash Kaur Jarnailsingh Saini		2.90	2.70
Mrs. Hazelkaur Manindersingh Saini		0.99	0.90
Mrs. Sanjamkumar Saini		0.86	0.72
Mrs. Snehlata A Lakhotiya		2.11	1.44
Mr. Gaurav Lakhotiya		0.73	-
<b>Director's Remuneration and Incentives</b>			
Mr. Kailash Chand Agarwal	(Includes Bonus)	9.60	17.80
Mr. Anil kumar Lakhotiya	(Includes Bonus)	19.20	17.80
Mr. Jarnailsingh Saini	(Includes Bonus)	9.60	7.60
Mr. Omprakash D. Rath	(Includes Bonus)	8.84	7.60
<b>Salary to Related Party</b>			
Mr. Gaurav Lakhotiya		7.80	4.35
<b>Purchase of Coal</b>			
Chandra Coal Private Ltd (Coal Purchase & Coal Liasoning Charges)		30.74	0.70
<b>Purchase of Raw material (Net)</b>			
Chandra Sales Corporation		-	37.66
Kaygaon Paper Mills Private Limited		-	-
<b>Sale of Finished Goods (Net)</b>			
Chandra Sales Corporation		230.26	172.05
Chandra Coal Private Limited		891.08	833.46
<b>Balance Sheet</b>			
<b>Loan Accepted</b>			
Mr. Anil M. Lakhotiya		11.83	1.66
Mrs. Anita Lakhotiya		0.70	0.67
Mrs. Hazelkaur Manindersingh Saini		1.44	0.83
Mr. Sartaj Manindersingh Saini		1.31	1.25
Mrs. Sanjamkumar Saini		2.77	0.67
Mrs. Kailash Kaur Jarnailsingh Saini		2.61	2.50
Mrs. Baljitkaur Manindersingh Saini		0.87	0.83
Mrs. Snehlata A Lakhotiya		11.90	1.33
Mr. Jarnailsingh Saini		4.63	4.86
Mr. Gaurav Lakhotiya		21.65	-
<b>Loan Repaid</b>			
Jarnailsingh Saini		11.00	6.00
Mr. Anil M. Lakhotiya		10.00	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)

			₹ in Lakhs	
			As At March 31, 2022	As At March 31, 2021
<b>CLOSING BALANCES</b>	<b>Maximum Outstandings</b>			
	<b>31.03.2022</b>	<b>31.03.2021</b>		
<b>Loans Taken</b>				
Mr. Anil M. Lakhotiya	34.99	23.53	25.36	23.53
Mr. Sartaj Manindersingh Saini	18.95	17.65	18.95	17.65
Mrs. Baljitkaur Manindersingh Saini	12.64	11.77	12.64	11.77
Mrs. Anita Lakhotiya	10.11	9.41	10.11	9.41
Mrs. Kailash Kaur Jarnailsingh Saini	37.91	35.30	37.91	35.30
Mr. Jarnailsingh Saini	64.99	68.94	57.48	63.84
Mrs. Hazelkaur Manindersingh Saini	13.21	11.77	13.21	11.77
Mrs. Sanjamkumar Saini	12.18	9.41	12.18	9.41
Mrs. Snehlata A Lakhotiya	30.73	18.82	30.73	18.82
<b>Mr. Gaurav Lakhotiya</b>	21.65	-	21.65	-
<b>Trade Payables</b>				
Chandra Coal Private Ltd			-	-
<b>Chandra Sales Corporation</b>			-	6.38
Saini Transport company			1.23	3.31
Trade Receivables				
Chandra Sales Corporation			94.82	3.96
Chandra Coal Private Ltd			-	26.56

**NOTE 39 :CONTINGENT LIABILITIES & CAPITAL COMMITMENTS****Contingent liabilities not provided for in respect of:**

Bank Guarantee given to M.S.E.D.C.L.	50.00	50.00
Bank Gurantee given to Customs Department	8.25	8.25
Bank Guarantee given to M.P.C.B.	5.00	5.00

**Interest as per section 16 of MSMED Act**

<b>TDS</b>	-	-
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<b>Excise Duty From F.Y.2008-09 to 2010-2011</b>		
- Demand Raised excluding interest	172.26	172.26
- Penalty Levied	100.81	100.81

The Company had received demand of ₹ 2,73,06,791 in earlier years on account of Excise Duty & Penalty excluding interest for the period from F.Y.2008-09 to 2010-2011. The Company had obtained stay order against the same and filed an appeal with Custom, Excise & Service Tax Appellate Tribunal, Mumbai. Based on Legal advice, the Company had not made any provision against the same.

**Excise Duty From July 2003 to March 2004**

- Demand Raised excluding interest	-	-
- Penalty Levied	6.67	6.67

**Excise Duty From April 2004 to October 2004**

- Demand Raised excluding interest	-	-
- Penalty Levied	6.27	6.27

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**

			₹ in Lakhs	
			As At March 31, 2022	As At March 31, 2021
<p>In Past, the Company had received order from the office of the Commissioner of Central Excise, Custom &amp; Service Tax, Nagpur -II demanding Excise Duty of ₹ 25,88,898/- including penalty. The Company has filed an appeal with the Commissioner (Appeals) under section 35 of the Act against the said order. The Company has paid the basic Demand under protest amounting to 12,94,449/- to save interest and penalty on suomoto basis. Based on the legal advice, the Company had not made any provisions against the said demand. In absence of any progress on the said matter, during the year, the company has written of the said amount paid in FY 2018-19.</p>				
<b>Capital Commitments (Net of Advances )</b>				
Estimated amount of contracts remaining to be executed on Capital accounts and not provided			-	247.05

**NOTE 40 :**

The balances of Trade Payables, Trade Receivables and Loans & Advances are subject to confirmation and reconciliation.

**NOTE 41 :**

The Company is into the manufacturing of Kraft Paper which is considered as the only reportable segment. The Company's operations are based in India.

**NOTE 42 :**

In the opinion of the Board and as certified by the management, all expenses charged to revenue and various cash payments to the suppliers of material and services through out the accounting year are genuine and have been solely and exclusively incurred out of business expediency.

**NOTE 43 : PSI SUBSIDY**

PSI Subsidy for FY 2021-22 is recognised in the books after the receipt of provisional sanction from office of District Industries Centre.

**NOTE 44 : FINANCIAL RATIOS**

Particulars	Numerator	Denominator	31.3.2022	31.3.2021	Variance	Reason for variance of above 25%
Current Ratio (no. of times)	Current Assets	Current Liabilities	1.58	1.85	-15%	-
Debt Equity Ratio (no. of times)	Total Debt	Shareholder's Equity	0.86	0.74	17%	-
Debt Service coverage ratio (no. of times)	Earning available for debt service	Debt service	2.51	9.16	-73%	Variance is primarily on account of increase in current maturities of long term borrowings payable in FY 22-23.
Return on Equity ratio (%)	Net Profit after taxes	Average Shareholder's Equity	1.41%	13.68%	-90%	Variance is primarily on account of reduction in net profit from ₹ 3,42,73,275 during 20-21 to 38,25,289 during 21-22.
Inventory turnover ratio (no. of times)	Cost of goods sold	Average Inventory	26.48	12.46	113%	Variance is primarily on account of increase in sales along with decrease in average inventory.
Trade Receivables turnover (no. of times)	Net Credit sales	Average trade receivables	6.97	6.54	7%	-
Trade Payable turnover (no. of times)	Net Credit Purchases	Average trade payables	10.16	7.90	29%	Variance is primarily on account of increase in net credit purchases.
Net capital turnover ratio (no. of times)	Net sales	Working Capital	13.19	7.65	72%	Variance is primarily on account of increase in net sales and decrease in working capital.
Net profit ratio (%)	Net Profits after taxes	Net Sales	0.34%	4.18%	-92%	Variance is primarily on account of decrease in net profit and increase in net sales.
Return on Capital employed	Earning before Interest & Taxes	Capital Employed	3.22%	17.09%	-81%	Variance is primarily on account of decrease in earning before interest & taxes and slight increase in capital employed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 (CONTD.)**NOTE 45 :****Unhedged Foreign Exchange Exposure**

Particulars	Outstanding in Forex	Outstanding in INR	Outstanding in Forex	Outstanding in INR
	USD	2021-22	USD	2020-21
Advance to Suppliers for Capital goods and stores	-	-	-	-
	Nil	Nil	Nil	Nil
Trade Payables for Raw Materials & Stores	-	-	-	-
	Nil	Nil	Nil	Nil

**NOTE 46 :**

Previous year's figures have been regrouped and rearranged to correspond with the figures of current year wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For **DARAK AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
FIRM REGISTRATION NO. 132818W

**CA AMIT M. DARAK**  
**PARTNER**  
Membership No. 144005  
UDIN: 21144005AAAAAP8479  
NAGPUR: 27.05.2022

FOR AND ON BEHALF OF THE BOARD

**ANIL KUMAR LAKHOTIYA** (DIN:00367361)  
**KAILASH AGRAWAL** (DIN:00367292)  
**JARNAIL SINGH SAINI** (DIN:00367656)  
**OMPRAKASH RATHI** (DIN:00895316)  
**MAYANK LUNIYA**  
NAGPUR: 27.05.2022

- **MANAGING DIRECTOR**
- **WHOLE TIME DIRECTOR**
- **CHIEF FINANCIAL OFFICER & EXECUTIVE DIRECTOR**
- **WHOLE TIME DIRECTOR**
- **COMPANY SECRETARY**

# HARDOL PAPER MILLS LIMITED

(CIN: L21010MH1995PLC085883)

**Registered Office:** Krishna Kunj, First Floor, Bhavsar Chowk, Central Avenue, Nagpur 440032

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company at Krishna Kunj, First Floor, Bhavsar Chowk, Central Avenue, Nagpur 440032, on Friday 23<sup>rd</sup> September, 2022 at 12.00 noon.

## ATTENDANCE SLIP

Name of Shareholder(s)_____	DP ID* : _____
_____	CLIENT ID* : _____
Registered Address_____	FOLIO NO : _____
_____	NO.OF SHARES : _____
_____	
_____	

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

\*Applicable for investors holding shares in electronic form.

Signature of the Shareholder/Proxy

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# HARDOL PAPER MILLS LIMITED

(CIN: L21010MH1995PLC085883)

Registered Office: Krishna Kunj, First Floor, Bhavsar Chowk, Central Avenue, Nagpur 440032

## FORM NO. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### 28<sup>TH</sup> ANNUAL GENERAL MEETING – FRIDAY, THE 23<sup>RD</sup> SEPTEMBER, 2022 AT 12.00 NOON

Name of the Member(s) :			
Registered address :			
*Folio No. / DP ID No. Client ID No.:		E-mail Id:	

I / We, being the holder(s) of the above named Company, hereby appoint :

- Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her
- Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her
- Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **28<sup>th</sup> Annual General Meeting** of the Company, to be held on **Friday, the 23<sup>rd</sup> September, 2022 at 12.00 noon** at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2.	Appointment of Director in place of Mr. Jarnailsingh G. Saini (DIN: DIN: 00367656) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
3.	Reappointment of M/s. DARAK AND ASSOCIATES, Chartered Accountants, Nagpur (Firm Registration No.: 132818W) as statutory auditor of the company.		
	<b>SPECIAL BUSINESS</b>		
4.	Approval of the Related Party Transactions with Saini Transport Company.		
5.	Approval of the Related Party Transactions with Chandra Coal Private Limited.		
6.	Approval of the Related Party Transactions with Chandra Sales Corporation.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature of Shareholder \_\_\_\_\_

AFFIX  
Revenue  
Stamp of  
Re. 1

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

\* Applicable for members holding shares in electronic form.

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

ROUTE MAP FOR 28<sup>th</sup> ANNUAL GENERAL MEETING VENUE:

