



# **HARDOLL PAPER MILLS LIMITED**

**27th ANNUAL REPORT  
2020 - 2021**





## 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 27<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 440002 on Friday, the 27<sup>th</sup> August, 2021 at 1.00 p.m., 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, 2021 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Omprakash D. Rathi** (DIN:00895316) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **APPOINTMENT OF MR. KAILASHCHANDRA P. AGRAWAL (DIN: 00367292) AS WHOLE-TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and other applicable provisions, if any of the Companies Act, 2013 and Rules made there under, read with section II, Part II of Schedule V of the Act (including any statutory modification(s) or re-enactment (s) thereof), consent of the members be and is hereby accorded for appointment of **Mr. Kailashchandra P. Agrawal (DIN: 00367292)** as Whole-time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2021 on a remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) per month and whose office shall be liable to retire by rotation.

**“RESOLVED FURTHER THAT** in the event of continuation of inadequacy of profit or no profit, the remuneration and perquisites as mentioned shall be paid as minimum remuneration to Mr. Kailashchandra P. Agrawal subject to the limit specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any other applicable provisions for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things , as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions , difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution.”

4. **APPOINTMENT OF MR. ANILKUMAR M. LAKHOTIYA (DIN: 00367361) AS MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and other applicable provisions, if any of the Companies Act, 2013 and Rules made there under, read with section II, Part II of Schedule V of the Act (including any statutory modification(s) or re-enactment (s) thereof), consent of the members be and is hereby accorded for appointment of **Mr. Anilkumar M. Lakhotiya (DIN: 00367361)** as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2021 on a remuneration of ₹ 1,60,000/- (Rupees One Lacs Sixty Thousand only) per month and whose office shall be liable to retire by rotation.

**“RESOLVED FURTHER THAT** in the event of continuation of inadequacy of profit or no profit, the remuneration and perquisites as mentioned shall be paid as minimum remuneration to Mr. Anilkumar M. Lakhotiya subject to the limit specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any other applicable provisions for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things , as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions , difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution.”

5. **REAPPOINTMENT OF MR. JARNAILSINGH G. SAINI AS WHOLE-TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS.**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and other applicable provisions, if any of



## NOTICE (CONTD.)

the Companies Act, 2013 and Rules made there under, read with section II, Part II of Schedule V of the Act (including any statutory modification(s) or re-enactment (s) thereof), consent of the members be and is hereby accorded for appointment of **Mr. Jarnailsingh G. Saini, (DIN: 00367656)** as Whole-time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2021 on a remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) per month and whose office shall be liable to retire by rotation.

**“RESOLVED FURTHER THAT** in the event of continuation of inadequacy of profit or no profit, the remuneration and perquisites as mentioned shall be paid as minimum remuneration to Mr. Jarnailsingh G. Saini subject to the limit specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any other applicable provisions for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution.”

### 6. REAPPOINTMENT OF MR. OMPRAKASH D. RATHI AS WHOLE-TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS.

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and other applicable provisions, if any of the Companies Act, 2013 and Rules made there under, read with section II, Part II of Schedule V of the Act (including any statutory modification(s) or re-enactment (s) thereof), consent of the members be and is hereby accorded for appointment of **Mr. Omprakash D. Rathi, (DIN:00895316)** as Whole-time Director of the Company for a period of 3 years with effect from 26<sup>th</sup> July 2021, on a remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) per month and whose office shall be liable to retire by rotation.

**“RESOLVED FURTHER THAT** in the event of continuation of inadequacy of profit or no profit, the remuneration and perquisites as mentioned shall be paid as minimum remuneration to Mr. Omprakash D. Rathi subject to the limit specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or any other applicable provisions for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its discretion deem necessary, expedient or proper to give effect to these resolution and to settle any questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board of Directors to secure any further consent or approval of the shareholders to this end and intent that they shall be deemed to have given approval thereto expressly by authority of this resolution.”

By Order of the Board  
For Hardoli Paper Mills Limited

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

Date :28<sup>th</sup> July, 2021

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

**NOTICE (CONTD.)**

Details of Director seeking appointment / reappointment in Annual General Meeting fixed for 27<sup>th</sup> August 2021.

Name of Director	Mr. Anilkumar M. Lakhotiya (DIN: 00367361)	Mr. Kailashchandra P. Agrawal (DIN: 00367292)	Mr. Jarnailsingh G. Saini (DIN: 00367656)	Mr. Omprakash D. Rath (DIN: 00895316)
Date of Birth	23/01/1952	03/03/1946	05/06/1948	11/05/1952
Date of Appointment	24/02/1995	24/05/2007	24/02/1995	26/07/2018
Expertise in specific functional areas	Manufacturing and marketing of paper products	Manufacturing and marketing of paper products	Manufacturing and marketing of paper products and Finance	Manufacturing and marketing of paper products
Directorship in other Indian Public Limited Companies as on 31.03.2021	NIL	NIL	NIL	NIL
Chairman/Member of the Committees of the Board of other Indian Public Limited Companies as on 31.03.2021	NIL	NIL	NIL	NIL
No. of Shares held in the Company	186295	241995	112805	267360
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. Anilkumar M. Lakhotiya	None of the Directors and KMP are related to Mr. Kailashchandra P. Agrawal	None of the Directors and KMP are related to Mr. Jarnailsingh G. Saini	None of the Directors and KMP are related to Mr. Omprakash D. Rath

DISCLOSURE AS REQUIRED UNDER SCHEDULE V TO THE COMPANIES ACT, 2013 IS GIVEN HEREUNDER:

I. General Information:

Nature of industry	Manufacturing of Kraft Papers
Date or expected date of commercial production	N.A. since the Company has already commenced its business activities
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A

Financial performance: -

PARTICULARS	2020-2021	2019-2020	2018-2019
Revenue from Operations	81,97,59,041	69,87,26,029	80,56,48,112
Other Income	11,89,801	10,37,875	10,03,456
Profit Before Depreciation, Interest and Tax	7,23,64,703	4,80,48,099	10,19,27,081
Financial Expenses	63,72,185	93,56,361	1,43,76,694
Profit Before Depreciation	6,59,92,518	3,86,91,738	8,75,50,387
Depreciation	1,77,27,982	1,71,92,939	1,64,67,600
Profit before Extra-Ordinary items and tax	4,82,64,536	2,14,98,799	7,10,82,787
Extra Ordinary Items	-	-	-
Profit Before Tax	4,82,64,536	2,14,98,799	7,10,82,787
Provision for Tax (including Deferred Tax)	1,39,91,261	1,01,06,721	1,20,89,427
Net Profit After Tax	3,42,73,276	1,13,92,079	5,89,93,360
Earnings per share ( ₹ )	12.73	4.23	21.91



## NOTICE (CONTD.)

### Foreign Investments or collaborations, if any:-

There is no direct foreign investment in the Company .

### Information about the Appointees :-

	<b>Mr. Anilkumar M. Lakhotiya</b>	<b>Mr. Kailashchandra P. Agrawal</b>	<b>Mr. Jarnailsingh G. Saini</b>	<b>Mr. Omprakash D. Rathi</b>
<b>Background details</b>	Given in the body of this statement	Given in the body of this statement	Given in the body of this statement	Given in the body of this statement
<b>Past Remuneration (Previous year Annual ₹)</b>	₹ 17,80,000/-	₹ 17,80,000/-	₹ 7,60,000/-	₹ 7,60,000/-
<b>Recognition and Awards</b>	---	---	---	---
<b>Job profile and his suitability</b>	He is M.COM & He looks after the production area of the Company and overlooks the Accounting and finance for the Company.	He has over 40 years of experience in managing and running Paper Mills. He looks after the Technical, Production and Marketing aspects of the Company	He is a Professional Director of the Company and looks after the operation part of the Company.	He is a Professional Director of the Company and looks after the Marketing of product.
<b>Remuneration proposed</b>	As mentioned in the resolution	As mentioned in the resolution	As mentioned in the resolution	As mentioned in the resolution
<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any</b>	Apart from receiving managerial remuneration and holding 186295 Equity Shares, he does not have any pecuniary relationship with the Company	Apart from receiving managerial remuneration and holding 241995 Equity Shares, he does not have any pecuniary relationship with the Company	Apart from receiving managerial remuneration and holding 112805 Equity Shares, he does not have any pecuniary relationship with the Company	Apart from receiving managerial remuneration and holding 267360 Equity Shares, he does not have any pecuniary relationship with the Company

### Comparative remuneration profile with respect to industry, size of company, profile and position of person:

During last decade, the Indian paper industry have seen many ups and downs. The size of the paper industry in India has increased manifold during the past several years in terms of sales and revenues. With increased size and turnover, it is also imperative for any paper company to have highly experienced persons having specialized knowledge and skills to understand and project the market trend, consumer behavior, consumption pattern and many relevant indicators for better product mix. It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Mr. Kailashchandra P. Agrawal, Mr. Anilkumar M. Lakhotiya, Mr. Jarnailsingh G. Saini and Mr. Omprakash D. Rathi, have successfully proved their expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considers that the remuneration proposed to them are justified commensurate with other organisations of the similar type, size and nature in the retail industry.

## II. Other information:

### 1. Reasons of loss or inadequate profits:

The Kraft paper industry facing tough competition from Chinese/other products. In order to stay afloat in the market the Company needs to sell goods at lower margin resulting in lower profits in previous years. Despite of tough competition & increase in raw material cost, the company is able to record increase in turnover and net profit.

### 2. Steps taken or proposed to be taken for improvement:

The Company is focusing on strengthening its core competency in manufacturing, by optimizing inventory, improving Productivity and reduction in cost of manufacturing. In addition to the above, certain strategic management changes made during the previous financial year would result in further cost reduction and thereby contributing to the profitability in the years to come.

### 3. Expected increase in productivity and profits in measurable terms:

The management continuous to be cautiously optimistic towards the external economic environment and expects demand to become more consistent and robust in the current financial year. Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins. Further, streamlined manufacturing activity, distribution, customer engagements, has already started to show results.

**NOTICE (CONTD.)**

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**III Disclosures:**

1. The remuneration package of all the managerial persons are given in the respective resolutions.
2. The explanatory statement given below (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

**NOTES FOR MEMBERS' ATTENTION****Notes:**

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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](mailto:girishmurarka@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- 6) 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"
- 7) 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.
- 8) The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 21<sup>st</sup> August, 2021 to Friday, 27<sup>th</sup> August, 2021 (both days inclusive).
- 9) 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 17<sup>th</sup> August, 2021 through email on [hardolipaper@gmail.com](mailto:hardolipaper@gmail.com) The same will be replied by the Company suitably.
- 10) 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.
- 11) Members who are holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- 10) 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.
- 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) Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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>.





## NOTICE (CONTD.)

- 13) 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.
- 14) 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. The Members are requested to send an e-mail to [hardolipaper@gmail.com](mailto:hardolipaper@gmail.com) for the same.
- 15) As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 01<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. 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.
- 16) 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.
- 17) 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).

### E-VOTING :

The Company is pleased to provide E-voting facility through Central Depository Services Limited (CDSL) 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 27<sup>th</sup> Annual General Meeting of the Company dated 28.07.2021 (the AGM Notice). E-voting is optional.

### 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 (CDSL). 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, 20<sup>th</sup> August, 2021**, 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, 24<sup>th</sup> August, 2021 **and will close at 5.00 pm on Thursday, 26<sup>th</sup> August, 2021**. 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.

**NOTICE (CONTD.)****PROCEDURE FOR REMOTE E-VOTING:**

1. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (i) Now, select the "HARDOLI PAPER MILLS LIMITED" from the drop down menu and click on "SUBMIT"
  - (ii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iii) Next enter the Image Verification as displayed and Click on Login.
  - (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (v) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the Sequence number which is mentioned in address Label affixed on Annual Report, in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

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



## NOTICE (CONTD.)

- Institutional shareholders (i.e. other than Individuals, HUF and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### In case of members receiving the physical copy:

- (A) 1. In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories): i. Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
2. Please follow all steps for e-voting for shareholders holding shares in physical mode to cast vote, as given above.
- (B) The voting period begins on **9.00 a.m. Tuesday, 24<sup>th</sup> August, 2021 and will close at 5.00 pm on Thursday, 26<sup>th</sup> August, 2021.** 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 20<sup>th</sup> August, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL 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 :28<sup>th</sup> July, 2021

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

**NOTICE (CONTD.)**

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**Explanatory Statement under Section 102 of the Companies Act, 2013****Item No. 3**

As per the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with Companies(Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee, appointed Mr. Kailashchandra P. Agrawal (DIN: 00367292) as a Whole-time Director w.e.f. 01/04/2021 at the Board Meeting held on 13<sup>th</sup> May, 2021.

The company has received (i) the consent in writing from Mr. Kailashchandra P. Agrawal in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The terms and conditions regarding the appointment and remuneration are mentioned below:

- (i) Term: 3 years commencing from 01/04/2021 till 31/03/2024
- (ii) Remuneration: As provided in the resolution.

Further, as per the provision to Section 196(3)(a) of the Companies Act, 2013, appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

However, Mr. Kailashchandra P. Agrawal, Whole-Time Director (formerly Managing Director), is having age of 75 years, still the board recommend his appointment as whole-time director of the company due to following reason/justification.

Mr. Kailashchandra P. Agrawal possesses huge knowledge and very rich experience in the business of the company. Because of his contribution and dedication, Company has achieved lot of success in the past few years. Even though he is aged above 70 years, but still considering his outstanding efforts towards the performance of the company, it will be beneficial to appoint him as whole-time director of the company.

The company seeks the approval of the shareholders by way of special resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the appointment of Mr. Kailashchandra P. Agrawal as the Whole-time Director from 01/04/2021 till 31/03/2024 and the fixation of remuneration in case of no profit or inadequacy of profit and also for his appointment under the provision to Section 196(3)(a) of the Companies Act, 2013.

None of the directors, key managerial personnel, manager or their relatives are interested or concerned in the above resolution except Mr. Kailashchandra P. Agrawal by virtue of his appointment.

Your Directors recommend the resolution set out at Item no. 3 to be passed as a special resolution by the members.

**Item No. 4**

As per the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee, appointed Mr. Anilkumar M. Lakhotiya (DIN: 00367361) as a Managing Director w. e. f. 01/04/2021 at the Board Meeting held on 13<sup>th</sup> May, 2021.

The company has received (i) the consent in writing from Mr. Anilkumar M. Lakhotiya in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The terms and conditions regarding the appointment and remuneration are mentioned below:

- (i) Term: 3 years commencing from 01/04/2021 till 31/03/2024
- (ii) Remuneration: As provided in the resolution.

Further, as per the provision to Section 196(3)(a) of the Companies Act, 2013, appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

However, Mr. Anilkumar M. Lakhotiya, Managing Director (formerly Jt. Managing Director), is crossing the age of 70 years during the tenure of this appointment, still the board recommend his appointment as managing director of the company due to following reason/justification.



## NOTICE (CONTD.)

Mr. Anilkumar M. Lakhotiya possesses huge knowledge and very rich experience in the business management of the company. Because of his contribution and dedication towards smooth management of the organisation, Company has achieved lot of success in the past few years and hopes to achieve even lot more in future if his appointment is approved by the shareholders. Even though he is crossing 70 years during this tenure, but still considering his outstanding efforts towards the performance of the company, it will be beneficial to appoint him as Managing Director of the company.

The company seeks the approval of the shareholders by way of special resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the appointment of Mr. Anilkumar M. Lakhotiya as the Managing Director from 01/04/2021 till 31/03/2024 and the fixation of remuneration in case of no profit or inadequacy of profit and also for his appointment under the provision to Section 196(3)(a) of the Companies Act, 2013.

No directors, key managerial personnel, manager or their relatives is interested or concerned in the above resolution except Mr. Anilkumar Lakhotiya by virtue of his appointment.

Your Directors recommend the resolution set out at Item no. 4 to be passed as a special resolution by the members.

### Item No. 5

As per the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with Companies(Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee reappointed Mr. Jarnailsingh G. Saini (DIN: 00367656) as a Whole-time Director w. e. f 01/04/2021 at the Board Meeting held on 13<sup>th</sup> May, 2021.

The company has received (i) the consent in writing from Mr. Jarnailsingh G. Saini in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

The terms and conditions regarding the appointment and remuneration are mentioned below:

- (i) Term: 3 years commencing from 01/04/2021 till 31/03/2024
- (ii) Remuneration: As provided in the resolution.

Further, As per the provision to Section 196(3)(a) of the Companies Act, 2013, appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

However, Mr. Jarnailsingh G. Saini, Whole-Time Director is having age of 73 years, still the board recommend his reappointment as whole-time director of the company due to following reason/justification.

Mr. Jarnailsingh G. Saini possesses huge financial knowledge and very rich experience in the finance department of the company. Because of his contribution and dedication and ability of smoothly managing and resolving the financial issues of the company, Company's financial position is satisfactory now-a-days. Even though he is above 70 years, but considering his outstanding efforts towards the performance of the company, it will be beneficial to reappoint him as whole-time director of the company.

The company seeks the approval of the shareholders by way of special resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the reappointment of Mr. Jarnailsingh G. Saini as the Whole-time Director from 01/04/2021 till 31/03/2024 and the fixation of remuneration in case of no profit or inadequacy of profit and also for his appointment under the provision to Section 196(3)(a) of the Companies Act, 2013.

No directors, key managerial personnel, manager or their relatives is interested or concerned in the above resolution except Mr. Jarnailsingh G. Saini by virtue of his reappointment.

Your Directors recommend the resolution set out at Item no. 5 to be passed as a special resolution by the members.

### Item No. 6

As per the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, the Board has upon the recommendation of the Nomination & Remuneration Committee, reappointed Mr. Omprakash D. Rathi (DIN: 00895316) as a Whole-time Director w. e. f. 26/07/2020 at the Board Meeting held on 13<sup>th</sup> May, 2021.

The company has received (i) the consent in writing from Mr. Omprakash D. Rathi in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014; (ii) intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013.

**NOTICE (CONTD.)**

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The terms and conditions regarding the appointment and remuneration are mentioned below:

- (i) Term: 3 years commencing from 26/07/2021 till 25/07/2024
- (ii) Remuneration: As provided in the resolution.

Further, as per the provision to Section 196(3)(a) of the Companies Act, 2013, appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

However Mr. Omprakash D. Rathi, Whole-Time Director is having age of 69 years, still the board recommend his reappointment as whole-time director of the company due to following reason/justification.

Mr. Omprakash D. Rathi possesses huge knowledge and very rich experience in paper industry. Because of his contribution and dedication and ability of smoothly managing and resolving the issues faced by the Company, even though he is above 70 years, but still considering his outstanding efforts towards the performance of the company, it will be beneficial to reappoint him as whole-time director of the company.

The company seeks the approval of the shareholders by way of special resolution as per the provisions of sections 196, 197 and schedule V of the companies act, 2013 read with the companies rules, 2014 (including any statutory modifications or re-enactment thereof) and other applicable provisions if any, for the reappointment of Mr. Omprakash D. Rathi as the Whole-time Director from 26/07/2021 till 25/07/2024 and the fixation of remuneration in case of no profit or inadequacy of profit and also for his appointment under the provision to Section 196(3)(a) of the Companies Act, 2013.

No directors, key managerial personnel, manager or their relatives is interested or concerned in the above resolution except Mr. Omprakash D. Rathi by virtue of his reappointment.

Your Directors recommend the resolution set out at Item no. 6 to be passed as a special resolution by the members.

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

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

Date :28<sup>th</sup> July, 2021

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



## DIRECTORS' REPORT

To,  
The Members,  
HARDOLI PAPERS MILLS LIMITED

Your directors have pleasures in submitting the **Twenty Seventh** Annual Report together with Audited Financial Statement of the Company for the year ended on 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS:

The Company's financial performance, in the year ended March 31, 2021 as shown below:

(Amount ₹ in Lacs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Income from operations (including other income)	8209.49	6997.64
Profit before interest, Depreciation, Tax and extra-ordinary items	723.65	480.48
Less: Interest	63.72	93.56
Profit before Depreciation, Tax and extra-ordinary items	659.93	386.92
Less: Depreciation	177.28	171.93
Profit before Tax and extra-ordinary items	482.65	214.99
Add / (Less) Extra-ordinary item	-	-
Profit / (Loss) before Tax	482.65	214.99
Less: Provisions for Tax including deferred tax	139.92	101.07
Profit / (Loss) After Tax	342.73	113.92
Earning per share-Basic & Diluted	12.73	4.23

### OPERATION AND STATE OF COMPANIES AFFAIRS:

During the year under review, the Company has recorded total revenue from operation of ₹ 8197.59 lacs as against revenue of ₹ 6987.26 lacs during previous year. Profit after tax is ₹ 342.73 lacs as compared to ₹ 113.92 lacs during previous year.

The Company is yet to achieve the optimum capacity utilization which the management is expected to achieve in the years to come which will result in improved Bottom Line.

### COVID-19

In the FY 2020-21, the COVID-19 pandemic continues to rise forcing governments to continue lock-down on some of the economic activities affecting smooth flow and operations of the company. For the company, focus was to operate with minimal staff and to encourage majority of staff to work from home for the purpose of ensuring health and well-being of the employees. Further, management of the company tried its best to provide uninterrupted services to our customers.

### 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.

### 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.



**DIRECTORS' REPORT (CONTD.)****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 31.03.2021	Year ended 31.03.2020
Electricity Consumption	8592459	9284871
Total Amount	66405216	70499746
Rate per unit	₹7.73 per unit	₹7.59 per unit
Coal Consumption in MT	12879.830	13717.425
Total Amount in ₹	57295705	60508044
Rate per unit in ₹	₹4448/- per MT	₹4411/- per MT

**B. TECHNOLOGY ABSORPTION:**

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

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Details of foreign exchange outgo are as under:

(₹ in lacs)

Item	2020-2021	2019-2020
Import of raw material	1299.43	1528.72
Stores & Spares	9.82	11.60
Capital good	5.26	15.28

The earning in foreign currency is ₹ 10.88 (P.Y ₹ 5.89)





## DIRECTORS' REPORT (CONTD.)

### 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' RESPONSIBILITY 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, 2021 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.

### AUDITORS 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.

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 2020-21 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 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, 2021 are: Kailashchandra P. Agrawal, Managing Director, Anilkumar M. Lakhotiya, Jt. Managing Director, Jarnailsingh G. Saini, Chief Financial Officer and Whole time Director, Mr. Omprakash D. Rathi, Whole time Director and Mr. Mayank Luniya, Company Secretary cum Compliance Officer

At the ensuing Annual General Meeting, **Mr. Omprakash D. Rathi** (DIN: DIN:00895316) 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. Rathi as Whole time director of the company w.e.f. 26/07/2021 subject approval of members at the ensuing Annual General Meeting of the Company.

**DIRECTORS' REPORT (CONTD.)****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 2019-20, 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 2020-21 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 once during the year i.e. on 14<sup>th</sup> August, 2020.

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)	1	1
2	Mr. Narasimhan Varadarajan	1	1
3	Mrs. Priyanka P. Deshmukh	1	1

**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.



## DIRECTORS' REPORT (CONTD.)

### 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 four (4) times during the financial year 2020-21 i.e. on 03/07/2020, 14/08/2020, 10/11/2020 and 12/02/2021. 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 2020-21 are as under:

Sr. No	Name of the Director	Meeting details	
		Held	Attended
1	Mr. Narasimhan Varadarajan (Chairman)	4	4
2	Mr. Prem Kewalramani	4	4
3	Mrs. Priyanka P. Deshmukh	4	4

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

During the financial year 2020-21, 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, 2021 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 2020-21.

The Issued, Subscribed and Paid-up capital of the Company as on 31<sup>st</sup> March, 2021 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).

### COST AUDIT

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

**DIRECTORS' REPORT (CONTD.)**

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**MEETING OF THE BOARD**

During the financial year under review, the Board of Directors duly met 6 (Six) 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
01-06-2020	7	7
03-07-2020	7	7
14-08-2020	7	7
31-08-2020	7	7
10-11-2020	7	7
12-02-2021	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. Narsimhan Varadrajan - Chairman (Independent Director)

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

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

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 II** to this Report.

**REASONS FOR NOT SPENDING THE ENTIRE AMOUNT:**

As per provisions of Section 135 of the Companies Act, 2013, during the F. Y 2020-21 the Company needs to spend ₹ 9.10 lacs on CSR activity. However, despite of best efforts, the Company could not identify suitable project for spending entire amount including unspent amount related to F. Y 2019-2020 as stipulated U/s. 135 of the Companies Act 2013 and in line with the Company's CSR policy. The CSR Committee of the Company shall take necessary steps to transfer ₹ 6.33 lacs (amount unspent during the F.Y 2019-20 and 2020-21) to any of the fund specified under Schedule VII of the Companies Act, 2013.



## 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 III** 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 2020-21.

#### 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

Place: Nagpur  
Date: 25-06-2021

**KAILASHCHANDRA P. AGRAWAL**  
WHOLE-TIME DIRECTOR  
(DIN -00367292)

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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**A) ECONOMY:**

With an overall slowdown in the global economy on account of COVID-19 pandemic, the prospects in 2021 have shown sizeable improvement and the negative growth in 2021 is expected to be reversed with positive growth in 2022. These are unprecedented and uncertain times. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human and business activity. There has been an adverse economic impact on people, communities and countries.

The vaccination drive has picked up momentum pan-India and the outlook remains positive with the advent of new vaccines reaching the market. Emerging Markets like India have witnessed a slowdown and there is economic fallout registered on account of sustained lockdowns in various parts of the Country. The country witnessing a second wave of the pandemic in March, 2021. The localised lockdowns have resumed which are likely to impair economic activity.

The measures taken by the government to contain spread of the COVID-19 pandemic have had an impact on the economic activities as well as on the data collection mechanisms. Estimates are, therefore, likely to undergo sharp revisions for the aforesaid causes in due course. V-shaped economic recovery is expected due to mega vaccination drive, recovery in the services sector and strong growth in consumption and investment etc.

**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. For all above marketing strategy, we are having well established Dealer's network for marketing to all over India span.

**D) THREAT AND CHALLENGES:**

The Business in which the Company is engaged in labour intensive. Thus, the shortage of manpower may affect the production. However, the Management has adequate system in place to constantly monitoring manpower requirement and providing internal training.

**E) 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.

The Management has embarked on operational excellence and Business Strategic Growth. Fresh Steps have been taken to improve cost effectiveness, excellence in product quality, customer service and operational productivity.

**F) 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.

**G) FINANCIAL AND OPERATIONAL PERFORMANCE**

Despite of Covid-19 pandemic and lockdown imposed by the Government at staged manner to contain the spread of virus, the company has recorded substantial growth in terms of sales and net profit. During the year under review company recorded sales of ₹ 8297.59 lacs (P.Y ₹6987.26 lacs) and net profit of ₹ 342.73 lacs (P.Y ₹ 113.92 lacs).

The Company is yet to achieve the optimum capacity utilization which the

Management is expected to achieve in the years to come which will results in improved Bottom Line.

**H) 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 provision 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, 2021, 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, 2021 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 ₹ 63,79,935/--	01-06-2020	
<b>Chandra Coal Private Limited.</b> Owned by relatives of Managing Director Mr. Kailashchandra P. Agrawal	Purchase of Coal	Ongoing	Purchases amounting to ₹ 70,006/-	01-06-2020	
<b>Chandra Coal Private Limited</b> Owned by relatives of Managing Director Mr. Kailashchandra P. Agrawal	Sale of finished goods	Ongoing	Sale amounting to ₹ 8,33,45,563/-	01-06-2020	
<b>Chandra Sales Corporation</b> Owned by relatives of Managing Director Mr. Kailashchandra P. Agrawal	Sale of Finished Goods	Ongoing	Sales amounting to ₹ 1,72,04,557/--	01-06-2020	
<b>Chandra Sales Corporation</b> Owned by relatives of Managing Director Mr. Kailashchandra P. Agrawal	Purchase of Raw Materials	Ongoing	Purchases amounting to ₹ 37,65,910/-	01-06-2020	
<b>Mr. Gaurav Lakhotiya</b> Relative of Director	Salary Paid	Ongoing	Salary paid ₹ 4,35,000/-	14-08-2020	

KAILASHCHANDRA P. AGRAWAL

WHOLE-TIME DIRECTOR  
(DIN –00367292)

ANILKUMAR M. LAKHOTIYA

MANAGING DIRECTOR  
(DIN - 00367361)

Place: Nagpur  
Date: 25-06-2021

**ANNEXURE – II CORPORATE SOCIAL RESPONSIBILITY (CSR)**
**REPORT ON CSR ACTIVITIES UNDERTAKEN DURING F. Y. 2020-21**
**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. Agrawal	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**





## ANNEXURE – II CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONTD.)

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: ₹ 454.94 Lacs

7. a) Two percent of average net profit of the company as per section 135(5): ₹ 9.10 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): ₹ 9.10 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 provision to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
6.29 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

**ANNEXURE – II CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONTD.)**

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

(1) Sl. No	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of Implementation – Direct (Yes/No).	(8) Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration number.
1	Providing Computers to Schools	Promotion of Education	Local	Maharashtra	Nagpur	85,000/-	Direct	NA	NA
2	Excavation & Treatment of Water Supply Well at Grampanchayat Ringnabodi	conservation of natural resources and maintaining quality of soil, air and water	Local	Maharashtra	Nagpur	15,000/-	Direct	NA	NA
3	Contribution for foods to COVID-19 effected people and migrant labourers	Eradicating hunger, poverty and malnutrition	Local	Maharashtra	Nagpur	1,03,000/-	Through Implementation Agency	Shree Sant Gajanan Maharaj Devsthan Kondhali	NA
4	Contribution to Gram Panchayat for slum area development.	Slum area development	Local	Maharashtra	Nagpur	1,00,000/-	Through Implementation Agency	Gram Panchayat Dhurkheda	NA
5	Contribution to for assistance in purchasing medical equipment	Promoting healthcare	Local	Maharashtra	Nagpur	1,25,000/-	Through Implementation Agency	Primary Health Centre, Kondhali	NA
6	Contribution for therapy treatment to poor people	promoting health care	Local	Maharashtra	Nagpur	2,01,000/-	Through Implementation Agency	Nagai Narayanji Memorial Foundation	NA

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): ₹ **6.29 Lacs**

(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)	9.10 Lacs
(ii)	Total amount spent for the Financial Year	6.29 Lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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)]	Nil



## ANNEXURE – II CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONTD.)

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	2019-20	NIL	NIL	NIL	NIL	NIL	₹ 3.52 lacs

- (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

- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) 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):

As per provisions of Section 135 of the Companies Act, 2013, during the F. Y 2020-21 the Company needs to spend ₹ 9.10 lacs on CSR activity. However, despite of best efforts, the Company could not identify suitable project for spending entire amount including unspent amount related to F. Y 2019-2020 as stipulated U/s. 135 of the Companies Act 2013 and in line with the Company's CSR policy. The CSR Committee of the Company shall take necessary steps to transfer ₹ 6.33 lacs (amount unspent during the F.Y 2019-20 and 2020-21) to any of the fund specified under Schedule VII of the Companies Act, 2013.

**NARSIMHAN VARADRAJAN**

CHIARMAN OF CSR COMMITTEE  
(DIN - 08177714)

**ANILKUMAR M. LAKHOTIYA**

MANAGING DIRECTOR  
(DIN -00367292)

Place: Nagpur

Date: 25-06-2021

**ANNEXURE – III****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 2020-21:

Sr. No.	Name of the Director	Ratio to Median Remuneration
1.	Mr. Kailashchandra P. Agrawal	12.89
2.	Mr. Anil Kumar Lakhotiya	12.89
3.	Mr. Omprakash Rathi	5.52
4.	Mr. Janrail Singh Saini	5.52
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 2020-2021 compared to financial year 2019-20:

Sr. No.	Name of the Director	Ratio to Median Remuneration
1.	Mr. Kailashchandra P. Agrawal- Whole-time Director	No increase, hence N.A.
2.	Mr. Anilkumar M. Lakhotiya – Managing Director	No increase, hence N. A
3.	Mr. Omprakash D. Rathi – Whole Time Director	No increase, hence N. A
4.	Mr. Janrailsingh G. Saini- Executive Director & CFO	No increase, hence N. A
5..	Mr. Mayank Luniya- Company Secretary	No increase, hence N. A

3. The Median Remuneration of Employee (MRE) excluding executive Director was 1,30,339 and 138628 in fiscal year 2021 and 2020 respectively. The decrease/increase in MRE in fiscal year is 5.98 as compared to fiscal year 2020.
4. Number of permanent employees on the rolls of the Company: 68 employees as on 31.03.2021.
5. Explanation on the relationship between average increase in remuneration and the Company performance: - The Company's reward principle is influenced by individual performance as well as various factors operating in competitive market practice and cost considerations. the salary increase that were made during the year were based on the individual performance as well as the Company's market competitiveness.
6. Key parameters for any variable component of remuneration availed by the Directors: - Considered by the Board of Directors based on the recommendations of the nomination and Remuneration Committee as per the Remuneration policy for Directors, Key Managerial personnel and other employees.



## ANNEXURE – III

## REMUNERATION OF TOP 10 EMPLOYEES OF THE COMPANY

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

Employees Name	Designation	Education Qualification	Experience in Year	Remuneration	Previous employment and designation
Devidas Pande	Administrative Officer	M.COM	33	443700	Crystal Potteries P.Ltd. MIDC, Nagpur
Gaurav Lakhota	General Manager (Operation)	M.S. IN ELECTRICAL ENGINEER, BE ELECTRONICS	10	435000	Digitech Graphics P. Ltd. Nagpur
Nitin Thakre	Production Manager	SSC	21	412272	Samruthi Paper Mill, Nashik
Jayshree Thawre	Sr. Accounts Officer	M.COM. WITH O' LEVEL COMPUTER DIPLOMA	26	382500	Monalisa Enterprises, Pharmaceutical, Nagpur
Anwar Akhtar	Accounts Officer	B.COM	13	328500	TACS & CO. Chartered Accountant, Nagpur
Dilip Patel	Foreman	SSC, ITI TECHNICAL	25	318250	Swastik Paper Mill, Nashik
Mahesh Mirashe	Chemist	BSC. MS OFFICE INTERMEDIATE COURSE	12	299712	Madhya Bharat Papers Ltd., Champa
Kunal Jain	Purchase Officer	B.COM	11	285300	Murli Industries Ltd, Nagpur
Suryakant Sadawarti	Personal Relation Officer	B.COM	25	276900	Infocat Computer Institute, Nagpur
Manoj Gore	Electrical Incharge	HSSC, ITI, A.V.T.S. ELECTRIC MAINTENANCE REWINDING TESTING	27	256444	Murli Agro Industries

Place: Nagpur  
Date: 25-06-2021

**KAILASHCHANDRA P. AGRAWAL**

WHOLE-TIME DIRECTOR  
(DIN -00367292)

**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, 2021. 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, 2021, 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, 2021, 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. **(Not Applicable to the Company during the Audit Period)**
    - 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 Agreements entered into by the Company with the Bombay Stock Exchange Limited.

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 – A007036C000515643

Place: Mumbai  
Date: 25<sup>th</sup> June, 2021

**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  
UDIN – A007036C000515643

Place: Mumbai  
Date: 25<sup>th</sup> June, 2021

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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, 2018 and March 31, 2019
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, 2021 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.

Sd/-  
**GIRISH MURARKA**  
Proprietor

**Girish Murarka & Co.**

ACS No. 7036

CP No. 4576

UDIN : A007036C000707769

Place: Mumbai

Date: 29<sup>th</sup> July, 2021

**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, 2021, 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 2021, 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.

**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.

**Other information**

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 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.

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.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### 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 A', 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;
  - 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;

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

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- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

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

**CA Amit M. Darak**  
(Partner)  
Membership No. 144005  
UDIN: 21144005AAAAAP8479

Place:-Nagpur  
Date: 25-06-2021



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31ST MARCH 2021

(Referred to in our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- 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) The title deeds of all the immovable property (which are included under the Note 2 – ‘Property, Plant and equipment’) are held in the name of the company.
- ii. The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- v. According to the information and explanations given to us, the company has not accepted the deposits from public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under wherever applicable, have been complied with. Further, we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other tribunal in respect of the same.
- 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.
- 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 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, as on 31<sup>st</sup> March 2021 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

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31ST MARCH 2021**

(Referred to in our report of even date)

- 
- viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or Government or any dues to debenture holders during the year.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable Ind AS. (Refer note 38).
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**CA Amit M. Darak**  
(Partner)  
Membership No.144005  
UDIN: 21144005AAAAAP8479

Place:-Nagpur  
Date: 25-06-2021



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT – 31ST MARCH 2021

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 2021 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 Over Financial Reporting

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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 2021, 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: 21144005AAAAAP8479

Place:-Nagpur  
Date: 25-06-2021



**BALANCE SHEET AS AT 31ST MARCH, 2021**

	Note No.	As At March 31, 2021 (₹)	As At March 31, 2020 (₹)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	21,62,29,798	22,63,95,167
Capital work-in-progress		3,13,008	4,02,479
Financial Assets			
(i) Deposits	3	19,85,304	22,13,235
Other Non-current assets	4	1,15,87,218	63,77,241
<b>Total Non-current assets</b>		<b>23,01,15,328</b>	<b>23,53,88,122</b>
<b>Current assets</b>			
Inventories	5	6,75,13,794	6,78,23,512
Financial Assets			
(i) Trade receivables	6	15,57,60,049	9,48,54,388
(ii) Cash and cash equivalents	7	3,33,868	2,83,263
(iii) Bank balances other than (ii) above	8	-	83,454
(iv) Other Financial assets	9	72,81,000	85,43,300
Other current assets	10	42,09,495	51,06,736
Current Tax assets (Net)	11	6,73,307	5,85,094
		<b>23,57,71,514</b>	<b>17,72,79,747</b>
<b>Total Assets</b>		<b>46,58,86,842</b>	<b>41,26,67,869</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	2,69,22,650	2,69,22,650
Other Equity		24,13,72,134	20,59,69,136
<b>Total Equity</b>		<b>26,82,94,784</b>	<b>23,28,91,786</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	13	3,19,86,480	2,63,42,951
(ii) Provisions	14	15,43,626	21,83,355
Deferred tax liabilities (Net)	15	1,94,75,120	1,84,56,792
		<b>5,30,05,226</b>	<b>4,69,83,097</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	16	4,35,76,043	6,18,43,531
(ii) Trade payables	17	7,96,27,700	5,90,45,467
(iii) Other financial liabilities	18	1,11,41,021	82,40,997
Other current liabilities	19	66,85,831	5,37,842
Provisions	20	35,56,237	31,25,149
<b>Total Current liabilities</b>		<b>14,45,86,833</b>	<b>13,27,92,986</b>
<b>Total Equity and Liabilities</b>		<b>46,58,86,842</b>	<b>41,26,67,869</b>
<b>Significant accounting policies &amp; Notes to Accounts</b>			
	1 to 44		
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: 25.06.2021

FOR AND ON BEHALF OF THE BOARD

**ANIL KUMAR LAKHOTIYA** (DIN:00367361)  
**KAILASHCHANDRA P. AGRAWAL** (DIN:00367292)  
**JARNAIL SINGH SAINI** (DIN:00367656)

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

NAGPUR: 25.06.2021

 - **MANAGING DIRECTOR**  
 - **WHOLE TIME DIRECTOR**  
 - **WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER (CFO)**  
 - **WHOLE TIME DIRECTOR**  
 - **COMPANY SECRETARY**



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

	Note No.	As At March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
Revenue From Operations	21	81,97,59,041	69,87,26,029
Other Income	22	11,89,801	10,37,875
<b>Total Income</b>		<b>82,09,48,842</b>	<b>69,97,63,904</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	55,29,19,697	43,28,76,064
Trading Purchase		-	12,34,765
Changes in inventories of finished goods,	24	-82,48,260	56,86,699
Employee benefits expense	25	2,16,41,049	2,13,36,667
Finance costs	26	63,72,185	93,56,361
Depreciation and amortization expense	2	1,77,27,982	1,71,92,939
Other expenses	27	18,22,71,653	19,05,81,609
<b>Total expenses</b>		<b>77,26,84,306</b>	<b>67,82,65,104</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>4,82,64,536</b>	<b>2,14,98,799</b>
Exceptional Item		-	-
<b>Profit/(loss) before tax</b>		<b>4,82,64,536</b>	<b>2,14,98,799</b>
Tax expense:			
(1) Current tax		1,30,81,127	45,14,807
(2) Earlier Year Taxes		16,99,939	-
(3) MAT credit Entitlement		-	54,40,948
(4) Deferred tax		-7,89,805	1,50,965
		<b>1,39,91,261</b>	<b>1,01,06,721</b>
<b>Profit (Loss) for the year</b>		<b>3,42,73,276</b>	<b>1,13,92,079</b>
<b>Other Comprehensive Income</b>	28		
A (i) Items that will not be reclassified to profit or loss		11,29,722	-1,86,251
(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>		<b>11,29,722</b>	<b>-1,86,251</b>
<b>Total Comprehensive Income for the year</b>		<b>3,54,02,998</b>	<b>1,12,05,828</b>
1) Basic EPS	29	12.73	4.23
1) Diluted EPS		12.73	4.23
Significant accounting policies & Notes to Accounts	1 to 44		
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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NAGPUR: 25.06.2021

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 - **COMPANY SECRETARY**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2021**

	As At March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>A. Equity Share Capital</b>		
Balance at the beginning of the year	2,69,22,650	2,69,22,650
Changes in the Equity Share Capital during the year	-	-
Balance at the end of the year	<b>2,69,22,650</b>	<b>2,69,22,650</b>
<b>B. Other Equity</b>		
<b>Capital Reserve</b>		
Opening Balance	2,04,13,989	2,04,13,989
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the reporting period	2,04,13,989	2,04,13,989
Movement during the year'	-	-
<b>Closing Balance</b>	<b>2,04,13,989</b>	<b>2,04,13,989</b>
<b>Securities Premium</b>		
Opening Balance	86,64,946	86,64,946
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the reporting period	86,64,946	86,64,946
Movement during the year'	-	-
<b>Closing Balance</b>	<b>86,64,946</b>	<b>86,64,946</b>
<b>General Reserves</b>		
Opening Balance	18,00,000	18,00,000
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the reporting period	18,00,000	18,00,000
Movement during the year'	-	-
<b>Closing Balance</b>	<b>18,00,000</b>	<b>18,00,000</b>
<b>Revaluation Surplus</b>		
Opening Balance	5,09,05,005	5,09,05,005
Addition During Prior period	-	-
Additions During the year	-	-
Restated balance at the beginning of the reporting period	5,09,05,005	5,09,05,005
Movement during the year'	-	-
<b>Closing Balance</b>	<b>5,09,05,005</b>	<b>5,09,05,005</b>
<b>Retained Earnings</b>		
Opening Balance	12,41,85,196	11,29,79,369
Changes in accounting policy or prior period errors	-	-
Change in PY Provision for Income Tax	-	-
Restated balance at the beginning of the reporting period	12,41,85,196	11,29,79,369
Profit for the year	3,42,73,276	1,13,92,079
Other Comprehensive Income for the year	11,29,722	-1,86,251
Total Comprehensive Income for the year	3,54,02,998	1,12,05,828
<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>15,95,88,194</b>	<b>12,41,85,196</b>
	<b>24,13,72,134</b>	<b>20,59,69,136</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**  
**PARTNER**  
 Membership No. 144005  
 UDIN: 21144005AAAAAP8479

NAGPUR: 25.06.2021

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NAGPUR: 25.06.2021

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	Year ended March 31, 2021 (₹)	Year ended March 31, 2020 (₹)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE INCOME TAX</b>	<b>4,82,64,536</b>	<b>2,14,98,799</b>
Adjustments for:		
Other comprehensive Income - Acturial Gain / (loss)	11,29,722	-1,86,251
Depreciation, amortisation and impairment	1,77,27,982	1,71,92,939
Finance costs	63,72,185	93,56,361
Net (Gain)/ Loss on disposal of property, plant and equipment	13,84,900	-18,263
<b>Operating profit before working capital changes</b>	<b>7,48,79,325</b>	<b>4,78,43,585</b>
<b>Change in operating assets and liabilities:</b>		
(Increase)/ Decrease in inventories	3,09,718	-1,66,38,585
(Increase)/ Decrease in trade receivables	-6,09,05,661	-48,96,923
(Increase)/ Decrease in other financial assets	12,62,300	-27,74,142
(Increase)/ Decrease in other current assets	8,97,241	21,69,872
(Increase)/ Decrease in other Bank Balance	83,454	1,08,847
Increase/ (Decrease) in trade payables	2,05,82,233	93,88,591
Increase/ (Decrease) in other Non Current Provisions	-6,39,729	5,21,248
Increase/ (Decrease) in other financial liabilities	3,58,188	-95,174
Increase/ (Decrease) in other current liabilities	61,47,989	-1,363
Increase/ (Decrease) in provisions	4,31,088	71,120
(Increase)/ Decrease in other financial assets (Non Current)	2,27,931	6,57,320
(Increase)/ Decrease in other non-current assets	-24,64,977	-22,24,221
<b>Changes in Working Capital</b>	<b>-3,37,10,226</b>	<b>-1,37,13,408</b>
<b>Cash generated from Operations</b>	<b>4,11,69,099</b>	<b>3,41,30,177</b>
<b>Income taxes paid (net of refunds)</b>	<b>-1,30,61,145</b>	<b>-61,75,062</b>
<b>NET CASH INFLOW GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,81,07,954</b>	<b>2,79,55,115</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	-1,16,83,042	-86,29,888
Proceeds from sale of property, plant and equipment	80,000	3,00,000
<b>NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES</b>	<b>-1,16,03,041</b>	<b>-83,29,888</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (Decrease) in Borrowing	-1,82,67,488	61,67,846
Repayment of borrowings	86,20,131	-1,65,62,108
Interest paid	-68,06,951	-90,44,352
Dividends paid to company's shareholders	-	-
<b>NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES</b>	<b>-1,64,54,308</b>	<b>-1,94,38,614</b>
<b>D NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>50,605</b>	<b>1,86,613</b>
<b>E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,83,263</b>	<b>96,650</b>
<b>F CASH AND CASH EQUIVALENTS AT END OF THE YEAR.(Refer Note No.7)</b>	<b>3,33,868</b>	<b>2,83,263</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

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

**CA AMIT M. DARAK**  
**PARTNER**  
 Membership No. 144005  
 UDIN: 21144005AAAAAP8479  
 NAGPUR: 25.06.2021

FOR AND ON BEHALF OF THE BOARD

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NAGPUR: 25.06.2021

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

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**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 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 market. The manufacturing facility of the company is situated at village Hardoli, Nagpur District, Maharashtra. The Company's equity shares are listed on Metropolitan Stock Exchange of 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. 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 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 2021.

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

### 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.

### 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.

#### 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

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**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.

**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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

### 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.
- 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

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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).

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





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

- 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. The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25<sup>th</sup> of March 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations in Company's manufacturing got temporarily disrupted. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. Considering the facts & circumstances, the degree to which the entity's operations are impacted is insignificant. The Company will continue to closely monitor any material changes to future economic conditions.

## III. Use of estimates and judgment

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 associated 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**
**NOTE 2 : PROPERTY, PLANT & EQUIPMENT**

(Amount in ₹)

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 2019	3,39,65,000	5,50,36,932	21,30,53,551	19,61,725	10,57,201	8,50,872	18,20,295	2,69,49,655	4,84,789
Additions	-	9,79,271	42,40,543	26,47,473	-	33,203	-	15,57,481	51,43,636
Disposals	-	-	-	16,18,086	-	-	-	-	52,25,945
At March 31 2020	3,39,65,000	5,60,16,204	21,72,94,094	29,91,112	10,57,201	8,84,075	18,20,295	2,85,07,136	4,02,479
Additions	-	29,07,027	52,34,644	-	-	4,15,195	47,872	4,22,775	59,73,300
Disposals	-	-	72,28,395	-	3,12,675	2,75,211	5,37,953	27,41,804	60,62,771
At March 31 2021	3,39,65,000	5,89,23,231	21,53,00,343	29,91,112	7,44,526	10,24,060	13,30,214	2,61,88,107	3,13,008
<b>Depreciation</b>									
At April 01 2019	-	19,57,557	7,93,29,687	12,38,122	8,46,428	7,29,742	14,20,188	1,47,61,635	-
Additions	-	17,43,151	1,31,01,740	2,87,798	92,736	24,077	57,979	18,85,458	-
Disposals	-	-	-	13,36,349	-	-	-	-	-
At March 31 2020	-	37,00,708	9,24,31,427	1,89,571	9,39,164	7,53,819	14,78,167	1,66,47,093	-
Additions	-	18,34,185	1,34,66,161	3,69,149	46,790	1,03,253	46,907	18,61,537	-
Disposals	-	-	64,01,419	-	2,97,041	2,58,544	5,11,055	21,63,078	-
At March 31 2021	-	55,34,893	9,94,96,168	5,58,720	6,88,913	5,98,528	10,14,019	1,63,45,552	-
At April 01 2019	3,39,65,000	5,30,79,375	13,37,23,864	7,23,603	2,10,773	1,21,130	4,00,107	1,21,88,020	4,84,789
At March 31 2020	3,39,65,000	5,23,15,496	12,48,62,667	28,01,541	1,18,037	1,30,256	3,42,128	1,18,60,043	4,02,479
At March 31 2021	3,39,65,000	5,33,88,337	11,58,04,174	24,32,392	55,613	4,25,532	3,16,195	98,42,555	3,13,008

Note :

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

	As At March 31, 2021 (₹)	As At March 31, 2020 (₹)
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**NOTE 3 : DEPOSITS (FINANCIAL ASSETS)**

(Unsecured, considered good unless otherwise stated)

Long term Deposit with Banks maturing after 12 months

Fixed deposits are lien marked for total facility against the said fixed deposit.

19,85,304

22,13,235

(Fixed deposits are lien marked for total facility against the said fixed deposit.)

**19,85,304**
**22,13,235**
**NOTE 4 : OTHER NON CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

Advance for Capital Goods

27,45,000

-

Long Term Deposits

4,65,777

16,01,600

Balance with Government Authorities

83,76,441

47,75,641

**1,15,87,218**
**63,77,241**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

	As At March 31, 2021 (₹)	As At March 31, 2020 (₹)
<b>NOTE 5 : INVENTORIES</b>		
(Valued at cost or net realisable value whichever is less)		
Raw Materials (Stock in Transit of ₹ 43,80,095/-)	4,19,71,586	4,68,09,782
Stores, Packing Material & Fuel	94,42,397	1,31,62,177
Finished Goods (Sale in Transit of ₹ 78,62,030/-)	1,60,99,812	78,51,552
(Note- Inventories have been hypothecated with banks against cash credit facility.)		
	<b>6,75,13,794</b>	<b>6,78,23,512</b>

**NOTE 6 : TRADE RECEIVABLES****(Unsecured, considered good unless otherwise stated)**

Considered Good		
Related Party	1,97,73,924	69,60,523
Other party	13,59,86,125	8,78,93,865
	<b>15,57,60,049</b>	<b>9,48,54,388</b>

**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 collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

<b>15,57,60,049</b>	<b>9,48,54,388</b>
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**NOTE 7 : CASH AND CASH EQUIVALENTS**

<b>Cash and Cash Equivalents</b>		
Cash on Hand	2,55,504	2,34,166
<b>Balances with Banks</b>		
Current Account	78,364	49,097
	<b>3,33,868</b>	<b>2,83,263</b>

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

Other Bank Balance	-	83,454
(Balance earmarked for Unclaimed Dividend)		
	-	<b>83,454</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

	As At March 31, 2021 (₹)	As At March 31, 2020 (₹)		
<b>NOTE 9 : OTHER FINANCIAL ASSETS</b>				
<b>Unsecured &amp; Considered Good</b>				
Loans & Advances to Employees	2,07,000	3,48,000		
Balance with Government authorities	70,74,000	81,95,300		
	<b>72,81,000</b>	<b>85,43,300</b>		
<b>NOTE 10 : OTHER CURRENT ASSETS</b>				
Advance to Suppliers	18,40,673	39,23,051		
Prepaid Expenses	6,36,564	7,13,686		
Insurance Claim Receivable	5,45,158	-		
Deposits	11,87,100	4,70,000		
	<b>42,09,495</b>	<b>51,06,736</b>		
<b>NOTE 11 : CURRENT TAX ASSET (NET)</b>				
Income Tax Receivables (Net)	6,73,307	5,85,094		
	<b>6,73,307</b>	<b>5,85,094</b>		
<b>NOTE 12 : SHARE CAPITAL</b>				
<b>AUTHORISED CAPITAL</b>				
35,00,000 Equity Shares of ₹10/- each (35,00,000 Equity Shares of ₹10/- each)	3,50,00,000	3,50,00,000		
	<b>3,50,00,000</b>	<b>3,50,00,000</b>		
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
26,92,265 Equity Shares of ₹10/- each fully paid up (26,92,265 Equity Shares of ₹10/- each fully paid up)	2,69,22,650	2,69,22,650		
	<b>2,69,22,650</b>	<b>2,69,22,650</b>		
<b>a. Details of shareholders holding more than 5% shares in the company</b>				
<b>NAME OF SHAREHOLDER</b>	<b>31.03.2021 % Held</b>	<b>31.03.2020 % Held</b>	<b>No.of Shares</b>	<b>No.of Shares</b>
Omprakash Damodar Rathi	9.93	9.93	2,67,360	2,67,360
Kailashchandra P. Agrawal	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>b. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>				
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>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

	As At March 31, 2021 (₹)	As At March 31, 2020 (₹)
c. The Company has not allotted any shares for consideration other than cash during 5 years preceding March 31, 2021		
d. Rights, preferences and restrictions attached to shares		
<b>Equity shares</b>		
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.		
<b>NOTE 9 : OTHER FINANCIAL ASSETS</b>		
<b>Secured</b>		
<u>From Banks</u>		
<b>Term Loan from Bank (Refer Note. 18)</b>	12,92,191	70,52,448
1) Term Loan is secured by way of Hypothecation of all movable assets created out of bank finance as well as on Land, factory building, Plant and Machinery, Electrical fittings and Misc. assets with the personal guarantees of the directors.		
2) One term loan of ₹ 2 crores is repayable in 72 monthly installments of which 12 installments are pending of ₹ 2.75 lacs each & last installment of RS.3.00 lacs. Other Term loan of ₹ 1.5 Crores is repayable in 72 monthly installment of which 11 installment are pending of ₹ 2.00 Lacs each and last installment of ₹ 8.00 Lacs.)		
<b>WCTL from Bank (Refer Note. 18)</b>	1,05,44,440	-
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.		
<u>From NBFC</u>	-	-
<b>Unsecured Loans</b>		
<u>From Others</u>		
Related Parties - Repayable on demand after 1st April, 2022	2,01,49,849	1,92,90,503
	<b>3,19,86,480</b>	<b>2,63,42,951</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

	As At March 31, 2021 (₹)	As At March 31, 2020 (₹)
<b>NOTE 14 : NON CURRENT - PROVISIONS</b>		
<b>AUTHORISED CAPITAL</b>		
35,00,000 Equity Shares of ₹10/- each (35,00,000 Equity Shares of ₹10/- each)	15,43,626	21,83,355
	<b>15,43,626</b>	<b>21,83,355</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 &amp; Equipment

1,97,96,179

2,09,00,188

**Total Deffered Tax liability**

1,97,96,179

2,09,00,188

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

Nature of Timing Difference

Dissallowances u/s 43B and others

3,21,059

6,35,262

**Total Deffered Tax liability**

3,21,059

6,35,262

**Deffered Tax Asset /Liabilities(Net)**

1,94,75,120

2,02,64,926

**Mat Credit Entitlement**

-

-18,08,134

**Total**
**1,94,75,120**
**1,84,56,792**
**NOTE 16 : SHORT TERM BORROWINGS**
**Secured**
From Banks

Working Capital Facilities

4,35,76,043

6,18,43,531

(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.)

**4,35,76,043**
**6,18,43,531**
**NOTE 17: TRADE PAYABLES**

Payble for Goods &amp; Services

Total outstanding due to micro, small and medium enterprise

2,30,64,647

1,13,23,685

Total outstanding dues other than micro enterprises &amp; small enterprises

5,65,63,053

4,77,21,782

**7,96,27,700**
**5,90,45,467**

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 31,2021 is given below. This infromation has been determind to the extent such parties have been identified on the basis of information available with the company

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

	2020-21	2019-20
<b>The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:</b>		
Principle	2,30,64,647	1,13,23,685
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.	-	-

**NOTE 18: OTHER FINANCIAL LIABILITIES : CURRENT**

Current Portion of Long Term Borrowings (Refer Note. 13)		
- Term Loan from Bank	57,00,000	66,48,561
- WCTL from Bank	40,55,560	-
- Term Loan from NBFC	-	1,30,397
- Interest Accrued but not due on Term Loans	1,39,269	5,74,035
Payable to Investor Education & Protection Fund	-	84,300
Remuneration Payable	2,16,400	-
Employee Payables	10,29,792	8,03,704
	<b>1,11,41,021</b>	<b>82,40,997</b>

**NOTE 19 : OTHER CURRENT LIABILITIES**

Statutory Dues	66,85,831	5,37,842
	<b>66,85,831</b>	<b>5,37,842</b>

**NOTE 20 : PROVISIONS**

Income Tax Payable	-	-
Bonus, Leave Encashment Payable	14,99,180	14,54,879
Current Provision for Gratuity (Refer Note 34)	17,76,180	16,70,270
CSR Expenses to be Incurred	2,80,877	-
	<b>35,56,237</b>	<b>31,25,149</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

	As At March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 21 : REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
- Manufacturing Sales	80,09,02,541	68,80,47,764
- Trading Sale	-	12,34,765
	<b>80,09,02,541</b>	<b>68,92,82,529</b>
<b>Other Operating Revenue</b>		
- PSI Subsidy	1,88,56,500	94,43,500
	<b>81,97,59,041</b>	<b>69,87,26,029</b>
<b>NOTE 22 : OTHER INCOME</b>		
Gain /(Loss) on Foreign Exchange Fluctuation	10,88,007	5,88,805
Profit on Sale of Fixed Assets	-	18,263
Sale of Scrap	25,865	2,46,110
Miscellaneous Income	-	15,656
Interest Income	75,929	1,69,041
	<b>11,89,801</b>	<b>10,37,875</b>
<b>NOTE 23 : COST OF MATERIAL CONSUMED</b>		
Opening Stock	4,68,09,782	2,85,27,546
Add: Purchases	54,80,81,500	45,11,58,300
	<b>59,48,91,282</b>	<b>47,96,85,847</b>
Less: Closing Stock (Stock in Transit of ₹ 43,80,095/-)	4,19,71,586	4,68,09,782
	<b>55,29,19,697</b>	<b>43,28,76,064</b>
<b>NOTE 24 :CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock	78,51,552	1,35,38,252
Less : Closing Stock (Sale in Transit of ₹ 78,92,030/-)	1,60,99,812	78,51,552
	<b>-82,48,260</b>	<b>56,86,699</b>
<b>NOTE 25 :EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	1,91,78,887	1,90,24,629
Contribution to Funds	21,55,531	20,72,611
Staff Welfare Expenses	3,06,631	2,39,427
	<b>2,16,41,049</b>	<b>2,13,36,667</b>
<b>NOTE 26 :FINANCE COSTS</b>		
Interest Expenses	59,51,032	90,30,453
Other Borrowing Cost	4,21,153	3,25,908
	<b>63,72,185</b>	<b>93,56,361</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

	As At March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 27 :OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Factory Expenses	42,50,955	46,61,821
Finished Goods Packing and Allied Charges	28,54,617	28,41,598
Packing Material Consumed	68,75,833	77,84,929
Power and Fuel Consumed	12,39,39,401	13,10,93,465
Raw Material Sorting Charges	38,61,148	41,67,429
Repairs & Maintenance		
- Machinery	1,06,61,532	1,39,43,254
- Building	6,88,234	9,54,274
Security Service Charges	7,03,243	6,89,707
Stores & Spares Consumed	82,05,876	60,68,107
Waste paper Feeding Charges	61,29,998	66,59,960
(A)	<b>16,81,70,837</b>	<b>17,88,64,544</b>
<b>ESTABLISHMENT EXPENSES</b>		
Auditors Remuneration		
Statutory Audit Fees	2,75,000	2,75,000
Internal Audit Fees	1,80,000	1,96,000
Audit Expenses	4,000	11,546
Bank Commission & Charges	2,26,111	6,08,224
Bad Debts	-	2,927
CSR Expenses (Refer Note 37)	9,09,877	3,80,250
Provision of earlier Year		
Donation	56,000	13,002
Insurance Charges	9,07,184	9,44,137
General Expenses	6,75,628	11,33,602
GST Audit Fees	45,000	85,000
Legal & Professional Charges	12,25,420	8,69,959
Listing Expense	9,000	64,000
Loss on Sale / Disacrdment of PPE	13,84,900	-
Office Expenses	2,98,336	4,82,428
Printing & Stationery	3,01,038	2,37,277
Rates & Taxes	5,55,080	12,14,761
Repairs & Maintenance		
- Vehicle	7,93,707	5,87,236
- Others	8,06,397	4,09,071
Rent for Office Premises	3,20,000	3,12,000
Travelling & Conveyance	1,72,981	13,55,567
Telephone Charges	65,764	57,609
(B)	<b>92,11,423</b>	<b>92,39,597</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement	1,14,760	1,38,158
Insurance on Sales	2,95,193	86,275
Clearing & Forwarding Expenses	22,77,589	4,91,501
Commission on sales	22,01,851	17,61,534
(C)	<b>48,89,393</b>	<b>24,77,468</b>
(A+ B + C)	<b>18,22,71,653</b>	<b>19,05,81,609</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

	As At March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 28 : OTHER COMPREHENSIVE INCOME</b>		
<b>A (i) Items that will not be reclassified in the profit &amp; loss</b>		
Remeasurement of defined benefit liabilities	11,29,722	-1,86,251
Revaluation Surplus on Revaluation of Fixed Asset ( Land & Building)		-
(ii) Income tax relating to items that will not be reclassified to profit or loss		
-	<b>11,29,722</b>	<b>-1,86,251</b>
<b>B (i) Items that will be reclassified to the profit &amp; loss</b>		
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
<b>Total (A+B)</b>	<b>11,29,722</b>	<b>-1,86,251</b>
<b>NOTE 29 : EARNING PER SHARE</b>		
Net Profit after tax from continuing operation	3,42,73,276	1,13,92,079
Weighted average number of Equity shares outstanding (Face Value of ₹ 10 per Eq. Share)	26,92,265	26,92,265
Earning per share	12.73	4.23
Diluted Earning per Share	12.73	4.23
<b>NOTE 30 : SUPPLEMENTARY INFORMATION</b>		
<b>A. CIF VALUE OF IMPORTS</b>		
Raw Material - Waste Paper	10,17,98,866	12,06,43,906
Capital Goods	5,26,167	15,27,900
Stores & Spare Parts	9,81,985	11,59,882
<b>B. STOCKS</b>		
<b>RAW MATERIAL</b>		
Waste Paper	3,96,01,793	4,38,90,778
Chemicals	23,69,793	29,19,004
<b>C. FINISHED GOODS</b>		
Kraft Paper	82,37,782	78,51,552
Finished Goods (Sale in Transit)	78,62,030	-
<b>D. VALUE OF RAW MATERIAL, STORES &amp; SPARES CONSUMPTION:</b>		
<b>Imported</b>		
<b>Raw Material</b>		
Waste Paper		
Value	12,99,43,471	15,28,72,056
Percentage of Total Consumption	25%	35%
Stores & Spare Parts		
Value	9,81,985	11,59,882
Percentage of Total Consumption	11%	19%
<b>Indigenous</b>		
<b>Raw Material</b>		
Waste Paper		
Value	38,82,67,560	28,00,04,008
Percentage of Total Consumption	75%	65%



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

	As At March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 30 : SUPPLEMENTARY INFORMATION (CONTD.)</b>		
Chemicals		
Value	3,55,17,322	4,18,30,146
Percentage of Total Consumption	100%	100%
Stores & Spare Parts		
Value	82,05,876	49,08,225
Percentage of Total Consumption	89%	81%
<b>E. SALES</b>		
<b>Kraft Paper</b>		
Manufacturing Sales (Net of Taxes)		
Kraft Paper	81,97,59,041	69,87,26,029

	Year Ended March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 31 : AUDITORS REMUNERATION</b>		
<b>Audit fee</b>	2,75,000	2,75,000
Audit Expenses	-	11,546
	<u>2,75,000</u>	<u>2,86,546</u>

	Notes	Year Ended March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 32: FAIR VALUE DISCLOSURES</b>			
The carrying value and fair value of financial assets/liabilities by categories are as follows:			
Particulars			
<b>Financial Assets</b>			
a) Trade Receivables	6	15,57,60,049	9,48,54,388
b) Cash and Cash Equivalents	7	3,33,868	2,83,263
c) Bank Balances other than above	8	-	83,454
d) Other Financial Assets	9	72,81,000	85,43,300
		<u>16,33,74,918</u>	<u>10,37,64,404</u>
<b>Financial Liabilities</b>			
a) Borrowings	16	4,35,76,043	6,18,43,531
b) Trade Payables	17	7,96,27,700	5,90,45,467
c) Other Financial Liabilities	18	1,11,41,021	82,40,997
<b>Total</b>		<u>13,43,44,764</u>	<u>12,91,29,994</u>

**Fair value hierarchy and method of valuation**

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

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**Risk Management Framework**

The company's principle financial liabilities includes borrowings, trade 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.

- 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 expose 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:



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

	Year Ended March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 34 : DISCLOSURE REQUIRED BY INDAS 19-EMPLOYEE BENEFITS</b>		
<b>(a) Defined Benefit Plans:</b>		
<b>Gratuity Fund</b>	<b>47,78,694</b>	<b>44,94,616</b>
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.		
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
<b>Reconciliation of Opening and Closing balance of the Present Value of the defined benefit obligation</b>		
Obligation at period beginning	77,19,067	67,81,359
Current service cost	5,74,606	4,60,436
Past Service Cost	-	-
Interest Cost	5,29,528	5,28,268
Actuarial (gain) / loss	-5,832	3,07,910
Benefits paid	-2,37,842	-2,03,896
Actuarial (gain) / loss due to Experience	-11,41,770	-1,55,010
<b>Obligations at the year end</b>	<b>74,37,757</b>	<b>77,19,067</b>
<b>Change in Plan Assets</b>		
Plan assets at period beginning, at fair value	44,94,616	41,61,629
Expected return on plan assets	3,08,331	3,24,191
Actuarial gain / (loss)	-17,880	-33,351
Contributions	2,31,469	2,46,043
Benefits paid	-2,37,842	-2,03,896
<b>Plan assets at the year end, at fair value</b>	<b>47,78,694</b>	<b>44,94,616</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	-47,78,694	-44,94,616
Present value of the defined benefit obligations at the end of the year	74,37,757	77,19,067
<b>Liabilities/(Assets) recognised in the Balance Sheet</b>	<b>26,59,063</b>	<b>32,24,451</b>
<b>Cost for the year</b>		
Current service cost	5,74,606	4,60,436
Past Service Cost	-	-
Interest Cost	5,29,528	5,28,268
Expected return on plan assets	-3,08,331	-3,24,191
Actuarial (gain) / loss	-11,29,722	1,86,251
<b>Net Cost recognised in the Statement of Profit and Loss</b>	<b>-3,33,919</b>	<b>8,50,764</b>
<b>Assumptions used to determine the benefit obligation:</b>		
Discount Rate	6.87%	6.86%
Estimated rate of return on plan assets	6.87%	6.86%
Expected rate of increase in salary	6.00%	6.00%
Attrition Rate	19.74%	19.72%
<b>Actual return on plan assets</b>	<b>2,90,451</b>	<b>2,90,840</b>

**(b) Provident Fund**

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**
**NOTE 35 :**

Persuant 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 there is 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 agreements. 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.

	Year Ended March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>NOTE 37: CORPORATE SOCIAL RESPONSIBILITY</b>		
Promotion of Education	85,000	-
Rural Development Projects	5,44,000	1,80,250
Benefit of Police and their Family		2,00,000.00
<b>Total</b>	6,29,000.00	3,80,250.00
CSR Expenses Incurred in Subsequent FY	-	3,51,972.00
Amount Incurred in Current FY Relating to Previous FY	-3,51,972.00	
<b>Total</b>	2,77,028.00	7,32,222.00
Amount required to be spent as per Section 135 of the Act:	9,09,877.00	7,32,222.00
<b>Unspent CSR Expenses</b>	<b>6,32,849.00</b>	<b>-</b>

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

Mr. Kailashchandra P. Agrawal

Mr. Anil kumar Lakhotiya

Mr. Jarnailsingh Saini

Mr. Omprakash D. Rath

**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. Sushil Kaur Saini

Mr. Karnailsingh Saini

Mr. Baljit Singh Saini

Mr. Kuldeepsingh Saini

Mrs. Baljit Kaur

Ms. Navita K. Agrawal

Mrs. Amarjit kaur Saini

Mrs. Satnamkaur Karnail Singh Saini

Mr. Gaurav A Lakhotiya

Mrs. Anita Lakhotiya

Mrs. Kajal Sanjay Agarwal

Mr. Kailash Kaur

Mrs. Snehlata A Lakhotiya

Mrs. Hazelkaur Manindersingh Saini

Mrs. Sanjamkaur Saini

Mr. Prakashkaur Saini

Gurmitsingh Gurdassingh (HUF)

Mrs. Snehlata A Lakhotiya

Karnail singh Gurudassingh (HUF)

Mrs. Garima Maheswari

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

	Year Ended March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<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	-	17,17,324
<b>Freight Charges</b>		
Saini Transport Company	63,79,935	60,84,086
<b>Interest Paid</b>		
Mr. Anil kumar Lakhotiya	1,79,850	2,07,437
Mr. Jarnailsingh Saini	5,25,548	6,64,825
Mr. Sartaj Manindersingh Saini	1,34,887	1,55,578
Mrs. Baljit Kaur Manindersingh Saini	89,924	1,03,720
Mrs. Anita Lakhotiya	71,941	82,975
Mrs. Kailash Kaur Jarnailsingh Saini	2,69,775	3,11,157
Mrs. Hazelkaur Manindersingh Saini	89,924	1,03,720
Mrs. Sanjamkumar Saini	71,941	82,975
Mrs. Snehlata A Lakhotiya	1,43,880	1,65,950
<b>Director's Remuneration and Incentives</b>		
Mr. Kailashchandra P. Agrawal (Includes Bonus)	17,80,000	17,80,000
Mr. Anil kumar Lakhotiya (Includes Bonus)	17,80,000	17,80,000
Mr. Jarnailsingh Saini (Includes Bonus)	7,60,000	7,60,000
Mr. Omprakash D. Rath (Includes Bonus)	7,60,000	7,60,000
<b>Salary to Related Party</b>		
Mr. Gaurav Lakhotiya	4,35,000	-
<b>Purchase of Coal</b>		
Chandra Coal Private Ltd (Coal Purchase & Coal Liasoning Charges)	70,006	10,43,247
<b>Purchase of Raw material (Net)</b>		
Chandra Sales Corporation	37,65,910	6,32,928
Kaygaon Paper Mills Private Limited	-	3,41,586
<b>Sale of Finished Goods (Net)</b>		
Chandra Sales Corporation	1,72,04,557	6,02,41,594
Chandra Coal Private Limited	8,33,45,563	2,81,96,538
<b>Balance Sheet</b>		
<b>Loan Accepted</b>		
Mr. Anil M. Lakhotiya	1,66,361	1,86,694
Mrs. Anita Lakhotiya	66,546	74,676
Mrs. Hazelkaur Manindersingh Saini	83,180	93,348
Mr. Sartaj Manindersingh Saini	1,24,771	1,40,020
Sanjamkumar Saini	66,546	74,676
Mrs. Kailash Kaur Jarnailsingh Saini	2,49,542	2,80,041
Baljitkaur Manindersingh Saini	83,180	93,348
Mrs. Snehlata A Lakhotiya	1,33,089	1,49,356
Jarnailsingh Saini	4,86,131	5,98,343
<b>Loan Repaid</b>		
Jarnailsingh Saini	6,00,000	6,00,000

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)**

			Year Ended March 31, 2021 (₹)	Year Ended March 31, 2020 (₹)
<b>CLOSING BALANCES</b>	<b>Maximum Outstandings</b>			
	<b>31.03.2021</b>	<b>31.03.2020</b>		
<b>Loans Taken</b>				
Mr. Anil M. Lakhotiya	23,53,055	21,86,694	23,53,055	21,86,694
Mr. Sartaj Manindersingh Saini	17,64,791	16,40,020	17,64,791	16,40,020
Mrs. Baljitkaur Manindersingh Saini	11,76,528	10,93,348	11,76,528	10,93,348
Mrs. Anita Lakhotiya	9,41,222	8,74,676	9,41,222	8,74,676
Mrs. Kailash Kaur Jarnailsingh Saini	35,29,583	32,80,041	35,29,583	32,80,041
Mr. Jarnailsingh Saini	68,93,877	70,00,494	63,84,474	64,98,343
Mrs. Hazelkaur Manindersingh Saini	11,76,528	10,93,348	11,76,528	10,93,348
Sanjamkumar Saini	9,41,222	8,74,676	9,41,222	8,74,676
Mrs. Snehlata A Lakhotiya	18,82,446	17,49,357	18,82,446	17,49,357
<b>Trade Payables</b>				
Chandra Coal Private Ltd			-	1,73,652
Chandra Sales Corporation			6,38,291	-
Saini Transport company			3,31,346	8,79,467
<b>Trade Receivables</b>				
Chandra Sales Corporation			3,96,306	43,04,700
Chandra Coal Private Ltd			1,93,77,618	26,55,823

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

Bank Guarantee given to M.S.E.D.C.L.	50,00,000	50,00,000
Bank Guarantee given to Western Coal Fields Ltd	-	3,50,000
Bank Gurantee fiven to Customs Department	8,25,000	-
Bank Guarantee given to M.P.C.B.	5,00,000	5,00,000
<b>Interest as per section 16 of MSMED Act</b>	-	10,963
<b>TDS</b>	47,300	46,000

**Excise Duty From F.Y.2008-09 to 2010-2011**

- Demand Raised excluding interest	1,72,25,881	1,72,25,881
- Penalty Levied	1,00,80,910	1,00,80,910

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	6,67,226	6,67,226

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

- Demand Raised excluding interest	-	-
- Penalty Levied	6,27,223	6,27,223

In Past, the Company had received order from the office of the Commissioner of Central Excise, Custom & 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.

**Capital Commitments (Net of Advances )**

Estimated amount of contracts remaining to be executed on Capital accounts and not provided	2,47,05,000	-
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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021 (CONTD.)

### 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 materials 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 2018-19 & FY 2019-20 is recognised in the books after the receipt of provisional sanction from office of District Industries Centre.

### NOTE 44 :

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 AND ON BEHLAF OF THE BOARD	
For <b>DARAK AND ASSOCIATES</b>	<b>ANIL KUMAR LAKHOTIYA</b> (DIN:00367361)	- <b>MANAGING DIRECTOR</b>
<b>CHARTERED ACCOUNTANTS</b>	<b>KAILASHCHANDRA P. AGRAWAL</b> (DIN:00367292)	- <b>WHOLE TIME DIRECTOR</b>
FIRM REGISTRATION NO. 132818W	<b>JARNAIL SINGH SAINI</b> (DIN:00367656)	- <b>WHOLE TIME DIRECTOR &amp; CHIEF FINANCIAL OFFICER (CFO)</b>
<b>CA AMIT M. DARAK</b>	<b>OMPRAKASH RATHI</b> (DIN:00895316)	- <b>WHOLE TIME DIRECTOR</b>
<b>PARTNER</b>	<b>MAYANK LUNIYA</b>	- <b>COMPANY SECRETARY</b>
Membership No. 144005		
UDIN: 21144005AAAAAP8479		
NAGPUR: 25.06.2021	NAGPUR: 25.06.2021	



# HARDOL PAPER MILLS LIMITED

(CIN: L21010MH1995PLC085883)

Registered Office: Krishna Kunj, First Floor, Bhavsar Chowk, Central Avenue, Nagpur 440002

## 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]

### 27<sup>TH</sup> ANNUAL GENERAL MEETING – AUGUST 27, 2021

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: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **27<sup>th</sup> Annual General Meeting** of the Company, to be held on **Friday, August 27, 2021 at 1.00 p.m.** through Video Conference ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the shareholders at a common venue 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
	Ordinary Business		
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2.	Re-appointment of Shri. Anilkumar Muralilal Lakhotiya who retires by rotation.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

AFFIX  
Revenue  
Stamp of  
Re. 1

\* 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 27<sup>th</sup> ANNUAL GENERAL MEETING VENUE:

