THE SOUTH INDIA PAPER MILLS LIMITED

Regd. Office & Factory : Chikkayana Chatra, Nanjangud - 571 302, Karnataka State, India
Corporate & Marketing Office : # 1205 / 1206, Prestige Meridian II, M.G Road, Bangalore - 560 001.

Ref: Stock- Ex/Reg 34(1)/ 2021/

30.08.2021

BSE Limited
25th Floor, PhirozeJeejeebhoyTowers
Dalal Street
Mumbai 400 001
Tel: (022) 2272 1233/34

Dear Sir,

Sub: Submission of Annual Report for FY 2020-21
Scrip Code : 516108

We wish to inform you that the 62nd Annual General Meeting of our Company will be held on Thursday, 23rd September 2021 at 11.30.am by Video Conference.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith the Annual Report for the FY 2020-21 for your reference.

Kindly take the same on your records.

Thanking you,

Yours faithfully
For **THE SOUTH INDIA PAPER MILLS LTD**

Vidya Bhat
Company Secretary

Encl: as above

SIPM

CIN (Corporate Identity No.) L85110KA1959PLC001352
FACTORY : PHONE : (91) (08221) 228265-67 FAX : (91) (08221) 228270
CORPORATE : PHONE : (91) (080) 41123605 FAX : (91) (080) 41512508
E-mail : marketing@sipaper.com Grams : PAPERMILLS Website : www.sipaper.com

SIPM



62nd ANNUAL REPORT 2020-21

THE SOUTH INDIA PAPER MILLS LIMITED

BOARD OF DIRECTORS

Mr. Manish M. Patel, B.E., M.B.A., Chairman & Managing Director

Mr. Dineshchandra C. Patel, Bar-At-Law

Mr. Jagdish M. Patel, D.M.E

Mr. S.R. Chandrasekara Setty, B.Com., FCA, ACS

Mr. M.G. Mohan Kumar, B.Sc., LLB, FCA, Licentiate ICSI

Mr. Ajay D. Patel, B.E., M.B.A

Mr. N. S. Kishore Kumar, B.Sc., MBA, CAIIB

Mr. Jitendra A. Patel, Diploma in Paper Technology (Sweden)

Mrs. Girija Shankar, BA, LLB

COMPANY SECRETARY

Mrs. Vidya Bhat

AUDITORS

Murthy Swamy & Associates LLP
Chartered Accountants
Mysuru

INTERNAL AUDITOR

M/s Rau & Nathan
Mysuru

BANKERS

Bank of Baroda, Nanjangud

REGISTRARS & SHARE TRANSFER AGENTS

M/s Kfin Technologies Pvt. Ltd.,
Selenium Tower B, Plot No 31 & 32, Gachibowli Financial District
Nanakramguda, Serilingampally
Hyderabad – 500032 Telangana
Ph: (040) 6716 2222

REGISTERED OFFICE & MILL

Chikkayanachatra, Nanjangud - 571 302 Karnataka
Phone: (08221) 228265, 228267, 228266 Fax: (08221) 228270
Website: www.sipaper.com
E-Mails: corporate@sipaper.com, marketing@sipaper.com
Corporate Identity Number: (CIN)-L85110KA1959PLC001352

CORPORATE & MARKETING OFFICE

#1205/1206, Prestige Meridian II, M.G. Road, Bengaluru - 560 001
Phone: (080) 41123605-06 Fax: (080) 41512508.

Annual General Meeting of the Company by Video Conference
on Thursday, the 23rd September, 2021 at 11.30 AM

DIRECTORS' REPORT

To

The Members

Your Directors hereby present the 62nd Annual Report of the Company along with the audited accounts for the year ended 31st March, 2021.

The Company has adopted Indian Accounting Standards (Ind AS), from the financial year 2017-18 as mandated by the Ministry of Corporate Affairs (MCA), in place of Indian GAAP, followed earlier. Financial statements for the current year, including figures of the previous year are based on IndAS and this adoption has no major impact for the Statement of Profit and Loss.

WORKING RESULTS	**FY 2020-21**	**FY 2019-20**	**FY 2018-19**
Finished Production of Paper & Paperboards	53,372 MTs	56,789 MTs	60,331 MTs
Conversion Quantity at the Box Plant (PPD)	29,166 MTs	30,827 MTs	28,127 MTs
	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
Revenue from Operations	22,678.27	21,761.08	24,249.58
FINANCIAL RESULTS:			
Profit before interest, depreciation & tax	3,817.18	3,521.56	3,717.07
Less : Finance costs	445.82	411.46	445.37
Gross (Cash) Profit	3,371.36	3,110.10	3,271.70
Less : Depreciation	1014.38	976.66	949.99
Profit before Exceptional items & Tax	2,356.98	2,133.44	**2,321.71**
Add : Exceptional income	305.79	-	-
Profit after Exceptional items, before tax	2,662.77	2,133.44	2,321.71
Less : Provision for Current tax	(483.20)	(371.86)	(503.00)
Less/(Add) : MAT credit (utilized)/ entitlement	(375.16)	(285.82)	43.71
Less/(Add) : Deferred Tax (charge)/ credit	100.54	111.06	(24.70)
Profit after tax for the year	1,904.95	1,586.82	1,837.72
(Less) / Add :(Tax Provision for earlier years)/ Reversal	-	7.96	(0.97)
Net Profit after Tax	1,904.95	1,594.78	1,836.75

OPERATIONS

Revenue from operations for the financial year 2020-21 increased to ₹ 226.78 crores from ₹ 217.61 crores in the previous year.

National Lockdown, imposed to curb the spread of Covid-19 pandemic, towards the end of preceding financial year and continued restrictions impacted production and sales in first quarter of the FY 2020-21 to the extent of about 40%. Paper Division remained shut till 4th May 2020. Box Division resumed operations from 3rd April, 2020 as it was covered under Essential Services. After recommencing, initially both the units were operated with minimum possible

employees, and subsequently scaling up gradually with necessary precautions and hygienic care and protection of the employees. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. Operating levels improved and stabilized during the 2nd quarter and continued for rest of the year.

During the year raw material, fuel prices started moving up and the Company could recover the higher cost by improved realizations, which resulted in increase in top line.

Operation at the Paper Mill was lower @ 81% due to above factors happening in Q1 as against 86% of the Capacity during the preceding year,

At Printing & Packaging Division Conversion tonnage was about 5% lower, compared to preceding year.

Profit before interest, depreciation, tax (PBDIT) in FY 2020-21 was better on account of the above said factors at ₹3,817 lacs from ₹3,522 lacs in the preceding year. Finance costs were higher at ₹ 446 lacs from ₹ 411 lakhs as the utilization of working capital facility, from bank increased. After making a depreciation provision of ₹ 1,014 lacs (Previous year ₹977 lacs), profit before Exceptional income & tax was ₹ 2,357 lacs(Previous year ₹ 2,133 lacs). Exceptional income of ₹ 306 lakhs (previous year nil) on sale of part of an immovable property (held for sale), boosted the profit before tax to ₹2,663 lakhs (previous year ₹2,133 lakhs).

After making a provision for current tax of ₹ 483 lakhs (₹372 lacs) & considering net effect of deferred tax & MAT credit charged of ₹275 lacs (₹175 lacs in the previous year), net profit stood at ₹ 1,905 lacs. (Previous Year ₹1,595 lacs)

Considering the prevailing economic environment and the internal and external factors, the Company has assessed the carrying amount of property, plant & equipment, receivables, inventories, investments and other assets as at the Balance Sheet date, the current liquidity position including its cash flows, the business outlook and has concluded that no material adjustments are required in these financial results and the Balance Sheet as at 31-3-2021. The potential future impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and assess the impact on its business

FINANCES

During the year, cash flow & liquidity remained comfortable.

Sources of funds	**₹ in lacs**	**Deployment of funds**	**₹ in lacs**
Cash flow from operating activities	3,801	Repayment of Term Loans	567
Interest receipts	43	Capital Expenditure & Advances	8,286
Term Loan from Bank	4,444	Finance Cost incl capitalized interest	531
Capital Subsidy for ETP from State Govt	200	Income tax Paid	431
Advance/Amount received for asset sale	402	Dividend payment	227
Increase in short term borrowing	1,990	Trade deposit refund (net)	4
		Increase in Working capital	834
Total	**10,880**	**Total**	**10,880**

	31.03.2021	31.03.2020
Long Term Gross Debt to Equity Ratio	0.42	0.17
Current Ratio	1.39	2.01

Installments of Term Loans and Interest on Term Loans and Working capital borrowings were paid within due dates.

DEPOSITS

The Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 and rules framed there under, during the financial year.

CREDIT RATING

ICRA had extended the validity of the existing ratings upto 30-9-2020. Subsequently, ICRA downgraded the Long term rating (for Fund based limits) of [ICRA]A- to [ICRA]BBB+ stable and a short term rating (for Non Fund based limits) of [ICRA]A2+ to [ICRA]A2, to the Company's line of credit, stating that the proposed borrowing for the Expansion Project and assumed impact of Covid-19 would affect the revenue & earnings. Company has represented to consider the facts & performance and ICRA has agreed to review.

CURRENT PROSPECTS

Current year, the operating levels are better in April & May 2021. However, the demand had fallen due to Lockdowns imposed by the State Governments to combat the 2nd wave of Covid-19, which affected the user industries and consequently led to lower demand, resulting in lower production in June. Company had taken maintenance shutdown for about a week. However, overall performance for the 1st Quarter appears to be normal. Barring further lockdown/ disruption Company's operation in the subsequent quarters is expected to be normal and comparable to that of preceding year, though material costs and overheads are on the rise.

The market conditions for paper, though generally competitive, as the industry capacity has increased substantially over the years, is favourable for quality products in the segment in which the Company operates. Market for corrugated boxes continue to be extremely competitive, as industry shifts towards new paradigm in corrugation. Company is exploring opportunities in new areas, including e-commerce business.

An increase in paper making capacity through brown-field investment is under implementation.

CAPITAL EXPENDITURE PLANS

The Company's plan for expansion of the production capacity of paper mill by installing PM6 (Paper Machine No.6) at an estimated cost of about ₹ 190 crores,revised to ₹ 260 crores is under implementation. Revision is on account of introduction of some systems for process efficiency, automation to handle higher production, without much time loss and water conservation systems considered, as beneficial to the Project.

Production capacity is being increased from the present 200 MTPD (Metric Tonnes Per Day) to 460 MTPD.



A view of paper machine under installation





400TPD RCP pulpmill under installation

Means of finance revised, with proposal to apply & avail additional Term loan of ₹ 40 crores. With this, Bank Term Loan of ₹ 110 crores, already sanctioned, total Term Loan portion will be ₹ 150 crores. Internal accruals of ₹ 80 crores is revised to ₹110 crores, in view of the earnings available during extended implementation period. Civil works delayed due to Covid-19 pandemic and Capex on machineries deferred initially are resumed and progressing satisfactorily. Project is scheduled to be commissioned by Q3 end or early Q4 and the Lending Bank has permitted the extending of date of commissioning upto March 2022, as per RBI circular. This investment in PM6 should further the good standing of Company's products.

Project cost and Means of Finance – update – ₹ in crores

Particulars	Original estimate	Revised estimate	Amount incurred As on 31-3-2021	Amount incurred As on 31-5-2021	Balance to be incurred
Project Cost	190.00	260.00	133.03	146.18	113.82
Means of Finance :					
Internal accruals	80.00	110.00	88.37	93.07	16.93
Bank Term Loan	110.00	150.00	44.66	53.11	96.89
Total Means of finance	190.00	260.00	133.03	146.18	113.82

In view of the earnings of the current year, estimated conservatively, being available, in addition to unutilised sanctioned limits, and additional term loan (for meeting part of the revised cost of the Project) under sanction at Bank,the Company does not expect any problem in meeting the fund requirements for the Project implementation.

CORPORATE GOVERNANCE

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 separate Report on Corporate Governance, along with Auditors Certificate confirming the compliance is attached.

Directors' Responsibility Statement :

As required by Section 134(5) of the Companies Act 2013, we state that :

While preparing the Annual Accounts, the Company has followed the applicable Accounting Standards;

The Directors have selected such accounting policies and applied them consistently and has made judgements and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company as at 31-3-2021 & of the profit of the Company for the financial year 2020-21.

The Directors have taken proper & 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.

The Directors have prepared the annual accounts on a going concern basis.

The Directors have laid down internal financial controls to be followed by the Company and the controls are adequate and operating effectively.

The Directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and these systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company did not give any Loan / Guarantee or has provided any security or make investment covered under Section 186 of the Companies Act, 2013

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

None of the transactions with any of the related parties was in conflict with the interests of the Company. Details of transactions with related parties are furnished as an annexure in Form AOC-2.

CHANGES IN NATURE OF BUSINESS OF THE COMPANY

There was no change in the nature of business of the Company during the year.

MATERIAL CHANGES & COMMITMENTS

There was no change in the nature of business of the Company during the year.

There was no material changes and commitments in the business operations of the Company since the close of the financial year on 31st March 2021 to the date of this report.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has formulated a Policy to prevent Sexual Harassment of Women at workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS

As per Rule 8(5)(vii) of the Companies (Accounts), Rules 2014, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

ISO 9001 CERTIFICATION

Company's Quality Management Systems (QMS) have been audited by Bureau Veritas Certification India Pvt Ltd and ISO 9001: 2015 Certification was awarded to the Printing & Packaging Division of the Company. This Certification issued is valid up to 17-5-2021.Subsequent Audit completed and certificate awaited.

FOREST STEWARDSHIP COUNCIL (FSC) CERTIFICATION

The Company received FSC certificate under standards of FSC-STD-40-003 v.2-1, FSC-STD-40-004 v.3-0 and FSC-STD-40-007 v.2-0 for its product group. This is an assurance of environmental protection by providing sufficient documentary controls and traceability throughout the Chain of Custody.This certification means Company is capable of manufacturing FSC Recycled and FSC Mixed products.

RESEARCH & DEVELOPMENT

Several special application grades have been developed & successfully introduced during the year to cater to stringent customer specific requirements.

ENERGY CONSERVATION MEASURES

The particulars required under Section 134 (3) (m) of the Companies Act, 2013 with regard to energy conservation measures are furnished in the Annexure.

ENVIRONMENTAL PROTECTION

Your company has always endeavored to remain in harmony with its eco-sphere and tried to equitably balance the interest of all stakeholders in it, often going beyond the statutory impositions placed by regulatory authorities. In such efforts are included the installation of a 0.5 acre hold tank and a 2 km delivery pipeline for irrigating otherwise dry lands. New ETP facility for conserving water and meeting the pollution control norms even on the proposed capacity expansion of the paper mill was installed in the preceeding year. The treated effluent water is utilized for irrigation purposes in the nearby fields of third party farmers with excellent crop yields.



The Company has installed & been operating the Electro Static Precipitator (ESP) Systems for its Boilers for controlling dust emission and dust extractor system for controlling dust at its fuel handling system. Centrifuge and other machineries have been installed for effluent treatment.Fuel shed with roofing, controls dust emissions and conserves the resources.

In order to ensure environmentally safe disposal of solid wastes, the Company has started disposing Ash and plastic waste to recyclers authorized by KSPCB. Ash is used in brick manufacturing and plastic is being used in cement kilns.

The Company had engaged the expert services of University of Agricultural Sciences, Gandhi Krishi Vigyana Kendra, Bangalore for a study of 'Utilisation of Paper Mill Effluent for Agricultural Purpose'. After 4 years study, a final report has been issued concluding that the effluent generated by the paper mill contains small amount of nutrients, higher amount of salts and are within limits of Central Pollution Control Board norms. The finding further says that mill effluent along with additional dose of nitrogen has significant effect in increasing the crop yields.

DIVIDENDS

Your Directors recommend a Dividend of 10% i.e. Re 1.00 per equity share of ₹ 10 each (last year 15%). The total distribution amounts to ₹150 lacs (Last year ₹225 lacs) As per Finance Act, 2020 Dividend Distribution Tax is not applicable for Dividends declared & paid after 31-3-2020. Dividends will be taxed in the hands of shareholders.

As per Ind AS 10, Events after the reporting period, Proposed Dividends on Equity shares being a non-adjusting event at the Balance Sheet date, is not recognised as a liability in the accounts for the year ended 31st March, 2021. Dividend will be recognised in the accounts in the year of payment i.e. FY 2021-22.

PARTICULARS OF EMPLOYEES

Particulars of employees as prescribed under the Companies Act, 2013 are annexed.

Annual Return

Copy of the Annual Return for the financial year ended 31-3-2021 is available on our website www.sipaper.com.

Managerial Remuneration

Requisite details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed herewith and forms a part of this Annual report.

Meetings of the Board

The number of meetings of the Board held and details thereof are mentioned in the Report on Corporate Governance forming a part of this Annual Report.

Whistle Blower Policy

In deference to Section 177 (9) of the Act,read with relevant Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations the Company has established a vigil mechanism overseen by the Audit Committee. The Company has formed Whistle Blower policy as required under the Companies Act 2013 and Listing Regulations and no personnel has been denied access to the Audit Committee.

Risk Management

The Company has a risk management framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimise adverse impact on the business objective and enhance the Company's competitive advantage. It aims at ensuring that the executive management controls the risk through means of a properly defined framework.

The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

The Board of Directors have constituted a Risk Management Committee as required under Cl 49 of the Listing Agreement vide Board Meeting held on 27.01.2015, to frame, implement and monitor the risk management plan of the Company. The Committee comprises of the following Directors.

Mr Manish M Patel - Chairman
Mr M G Mohan Kumar - Member
Mr S R Chandrasekara Setty - Member

The terms of reference of risk management committee include review of Risk management policy and its development within the Company, to monitor the effectiveness of risk management policy, review major risks of the Company and to advice on mitigation to the Board.

LABOUR RELATIONS

The industrial relations climate in the Company during the year was cordial and harmonius. A 6 year Wage settlement agreement signed with workers' union at the Paper Mill will be in force upto 31-3-2022. In case of the Box unit, a 4 year Wage settlement agreement signed during the year with workers' union is in force upto 31-3-2024.

Covid-19 vaccination programmes were arranged at the factory for employees and their family members.





DIRECTORS

In terms of Section 152 of the Companies Act, 2013 Mr Jitendra A Patel (DIN 00248302) retires by rotation and he, being eligible, offers himself for reappointment. Your Directors recommend his reappointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors under Section 149(7) of the Companies Act 2013, in respect of meeting the criteria of independence as provided under Section 149(6) of the Act.

BOARD EVALUATION

The Board of Directors have carried out an annual evaluation of its performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has recorded overall satisfaction.

In a separate meeting of Independent Directors held on 29-03-2021, the performance of Non Independent Directors, Board as a whole and the performance of the Chairman was evaluated.They have expressed overall satisfaction on such evaluation.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company's Policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) is annexed hereto and forms part of this Annual Report.

Criteria for performance evaluation of Independent Directors' as required by the Listing Regulations also forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a Corporate Social Responsibility Committee as mandated by Section 135 of the Companies Act 2013 vide Board Meeting held on 27.01.2015.

The broad terms of reference of the CSR Committee are as under:

- Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the aforesaid activities and;
- Reviewing and Monitoring the CSR Policy of the company from time to time.

The Company has taken up a few CSR activities during the year and spent ₹ 8.57 lakhs during FY 2020-21. Balance unspent amount of ₹ 20.63 lakhs will be paid as per the CSR rules, as amended.

A report on CSR Activities is annexed herewith and forms a part of the Directors' Report.

APPOINTMENT OF KEY MANAGERIAL PERSONNEL

There are no changes in Key Managerial Positions during the year.

AUDITORS

M/s. Murthy Swamy& Associates LLP, Chartered Accountants continue to be the statutory auditors of the Company. At the 59th Annual General Meeting of the Company held on 20th September, 2018, shareholders ratified the appointment of M/s. Murthy Swamy& Associates LLP, Chartered Accountants to hold office for a period of four years commencing from the conclusion of 59th AGM, till the conclusion of 63rd AGM, without seeking any further ratification of their appointment from the shareholders of the company for their appointment as statutory auditors till the conclusion of their tenure.

There are no adverse comments by the auditors in their report annexed herewith.

SECRETARIAL AUDIT

Pursuant to Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr S N Hitaish Kumar, Practicing Company Secretary (C P No. 6553), to conduct the Secretarial Audit of the Company for Financial Year 2020-21. The Secretarial Audit Report in Form MR 3 is annexed.

Explanation for observations / comments made by the Company Secretary in Practice

1. (a) The Company has ratified the appointment of Mr Dineshchandra C Patel (who has attained the age of 75 years) by way of special resolution passed at 61st AGM of the Company held on 24th September 2020, thereby complying with the amended Regulation 17(1A) of Listing Regulations

   (b) The Company has re- constituted the Stakeholder Relationship Committee and has appointed Mrs Girija Shankar as a member of the Committee vide Board meeting held on 30-07-2020, thereby complying with the amended Regulation 20(2)/20(2A) of Listing Regulations

2. The Company has not entered into any fresh related party transaction during the half year ended 30th September 2020. Remuneration paid to KMP / Non executive Director are as per the Company's Nomination & Remuneration Policy. Since there was no fresh related party transaction during the period, the requirement of filing the Disclosures of Related party transactions was missed out inadvertently. However subsequently the Company has filed the disclosures of related party transactions on 30.01.2021 in compliance with Regulation 23(9) of Listing Regulations, even though no fresh related party transactions are entered into by the Company.

Above compliances are duly reported to BSE and condonation / waiver requested from BSE.

INTERNAL AUDITOR

Pursuant to Section 138(1) of the Companies Act, 2013, the Company has appointed M/s Rau and Nathan Chartered Accountants (Firm Regn. No.003178S), Mysore, to conduct Internal Audit of the functions and activities of the Company for Financial Year 2020-21.

COST AUDIT

Company's products are not notified for Cost Audit in FY 2020-21.

APPRECIATION

Your Directors take this opportunity to place on record their appreciation for services rendered by the employees, sales agents, Banks & Financial Institutions.

for and on behalf of the Board of Directors

Nanjangud
24th June, 2021

Manish M. Patel
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

i) Industry Structure & Developments :

The Indian Paper Industry has been historically segmented on a three dimensional matrix identified by size, grades manufactured and raw materials utilised. Government policies on indirect taxation rates applicable to output have relied on this segmentation. Generally, tariff rates have protected smaller units utilising "unconventional" raw material. Over the years, the growth of various segments, investment levels in specific segments, technological changes, industry fragmentation and intensity of competition have been significantly influenced by the Government's tariff policy.

Over 600 players currently populate the domestic industry and the estimated output across all grades is about 19 million metric tonnes per annum (MTPA). Global paper consumption is about 400 MTs per annum and about 50% is recycled each year. The three broad segments of the market are Writing and Printing Grades (Cultural), Packaging Grades (Industrial) and Newsprint.

The "Industrial" Segment of the paper market broadly comprises of Corrugated Case Materials, (CCM) and Duplex Boards -white lined and coated or uncoated. Fragmentation is severe in this segment which constitutes about 50% of the total output of Paper & Board. This segment entirely relies upon "unconventional" raw material such as waste paper (imported and domestically sourced) and, to a limited extent, on agricultural residues. The average size of units in this segment is now about 15,000 MTPA and most units cater to local area demand from small semi-auto corrugated box factories and small printers. Although the other segments in the Indian paper industry are also fragmented by international standards, the degree of fragmentation is less severe.

Historically, the bulk of the output of "Cultural" grades - comprising of writing, printing, office stationery paper and speciality paper has been the preserve of the larger producers, who use forest based raw materials in integrated pulping facilities augmented by imported market pulp. This segment has been consistently taxed at higher rates due to its size and use of "conventional" forest based raw material. Investment in plant for these players has also been higher. With a relatively smaller number of players and high import tariff protection, prices of end products, generally perceived to be of higher quality, have been high. "Lower end cultural grades" manufactured by smaller players using unconventional raw materials in low investment, low-tech plants cater to consumers in the price sensitive sub-segment of this market. This sub segment has historically depended heavily on the tariff differential based on size and raw material for its viability. Some of the mid-sized players in the writing and printing segment are in the process of expansion and modernization and are installing wider/faster machines with full fledged de-inking plants to produce the higher quality that is increasingly preferred and for which consumers are willing to pay more. Several of the "large-integrated" forest based producers have also recently increased forest based pulping capacities The cultural paper segment contributes about 40% of the annual paper and paperboard production with a current demand growth rate of about 6 to 7% per annum. The high investment levels required and limited "conventional" fiber resources are the major deterrents to growth in this segment for both existing players as well as new entrants.

The Indian Paper industry which accounts for about 4.5% of global production, in recent times has registered faster growth rates of about 7%. The domestic demand is expected to grow at about 6 to 7% p.a. Paper industry plays an important role in the socio-economic development of the country.

Despite several infrastructural impediments there is a strong growth in demand in several sub-segments of the Indian Paper Industry. There is perceptible shift in preference for higher quality products in both the Industrial and Cultural Segments and players with the right grade-quality mix are seeing opportunities for profitable growth. As per our

assessment, most of the dominant players in each industry segment are operating near to capacity and one can expect a round of capacity additions which will however be circumscribed by factors peculiar to individual units such as the ability to raise funds cost effectively, availability of raw material and low cost energy.

ii) Opportunities & threats:

The Indian Government's policy for the paper industry lacks perspective. It is necessary that the Government come up with a clear policy on pulpwood plantations that can benefit the paper industry in terms of introducing more virgin fiber into the fiber basket. In the face of fierce global competition, sustenance of industry with only agro-based raw materials and recycled fiber will be very difficult to achieve. The Government also needs to create a more conducive atmosphere for investment into this sector.

In the medium term, much of the growth in the packaging segment of the Industry is expected to be based on recycling of waste paper. This is already the trend in China. Indian paper companies in the packaging segment are also expected to fuel their near to medium term growth through waste paper imports from regions of surplus such as North America and Europe. Large Chinese producers have set up their own sourcing networks in these regions to supply their huge capacity additions; they possess relative buying strengths and constitute a cost threat to that extent. Over time, however, as domestic capacities stabilize and domestic collection improves, a larger proportion is expected to be sourced domestically with the fiber basket being upgraded by pulp imports. The strength of any firm in this industry is however expected to come from a presence throughout the supply chain from raw material to packaging production and delivery.

Whilst this is a capital-intensive industry, the current structure of depreciation tax shields, finance (interest) costs and relatively short-term repayment horizons places severe limitations on fresh investments.

This phenomenon has effectively increased the project cost on expansion and new green-field investments. At the same time, the continuous reduction of import tariffs keeps margins under pressure.

The absence of large-scale investments and green field projects in a rapidly growing economy with one of the lowest per capita paper consumption rates is testimony to this situation.

iii) Segment wise or product wise performance:

Segment wise revenue, results and capital employed are furnished for i) Paper & Paper products and ii) Power, in the notes on accounts.

iv) Outlook:

Growth rate of the Indian economy was negative at -7.3% due to Covid-19 impact as against 4.2% for 2019-20. Q4 had turned positive with 1.6% growth.Growth forecast for 2021-22 is 9.5% on the lower base figure of the previous year.

Demand for paper in FY 22 is expected to revive in the second half with reduced impact of Covid-19. Demand from education, packaging, corporate and print media sections declined owing to nation wide lockdown imposed to curb the spread of Covid-19 pandemic.

Innovative cost containment and cost cutting will be required by paper mills to not only maintain business volumes but to capture a larger portion of a slowly growing pie.

v) Risks and Concerns:

New, large scale manufacturing capacities are being created in several down-stream industries such as electronic goods, white goods, cell phones and fast moving consumer goods. These industries that have been seeing a year-on-year growth of 8 to 10% are expected to also slow but not as much as the general slowdown in the economy and Covid-19 impact.

The Government has also prioritized policies aimed at promoting rapid up-gradation in supply chain systems for retail distribution and export of fruits and vegetables. The automotive components industry is also growing and demanding wooden packaging substitutes. The footwear and garments exports segments are growing but at a more moderate pace as export markets slow.

All these and other trends indicate that there will be a better than average growth in the demand for high-quality, world-class packaging material produced in state-of-the art facilities and delivered just-in-time.

Whilst one would ordinarily expect these trends to encourage strong players in the paper converting industries to either expand or paper producers to forward integrate and seize the opportunities for growth, this has not actually happened due to the uncertainty from the flip flop tariff policy decisions.

Historically, the policy of "reservation" of this industry for the small scale sector has resulted in extreme fragmentation with low productivity, small capacities and poor quality of output. The indirect tax structure and the industry structure of consuming industries highlighted earlier allows these capacities to continue to exist albeit marginally and this production base continues to supply the existing demand, its survival being circumscribed by the tax/tariff structure applicable to users of packaging material.

During February 2008, corrugated box manufacturing was taken off the list of products reserved for the small scale industries. This change should see consolidation of production in the corrugated box industry as well as a significant shift in the overall quality of boxes. These changes would elevate the quality requirements for corrugating case paper – both liners and fluting, placing significant pressure on paper manufacturers in terms of fresh investments in paper making processes to meet the emerging quality requirements. New, better capitalized and organized players are expected to enter the market. However, the current tariff structure in the entire value chain from raw material for the paper industry to the final consumer product as well as the vertical value chain split described earlier will shape the speed of evolution and growth of this segment.

vi) Internal Control Systems:

Your company has an adequate internal control system in place. The internal control system is proactive. The company has an audit committee which oversees the adequacies of the internal control systems and reports to the Board.

vii) Discussion on financial performance with respect to operational performance:

Revenue from operations for the financial year 2020-21 increased to ₹ 226.78 crores from ₹ 217.61 crores from in the previous year.

National Lockdown, imposed to curb the spread of Covid-19 pandemic, towards the end of preceding financial year and continued restrictions impacted production and sales in first quarter of the FY 2020-21 to the extent of about 40%. Paper Division remained shut till 4th May 2020. Box Division resumed operations from 3rd April, 2020 as it was covered under Essential Services. After recommencing, initially both the units were operated with minimum possible

employees, and subsequently scaling up gradually with necessary precautions and hygienic care and protection of the employees. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. Operating levels improved and stabilized during the 2nd quarter and continued for rest of the year.

During the year raw material, fuel prices started moving up and the Company could recover the higher cost by improved realizations, which resulted in increase in top line.

Operation at the Paper Mill was lower @ 81% due to above factors happening in Q1 as against 86% of the Capacity during the preceding year,

At Printing & Packaging Division Conversion tonnage was about 5% lower, compared to preceding year.

Profit before interest, depreciation, tax (PBDIT) in FY 2020-21 was better on account of the above said factors at ₹3,817 lacs from ₹3,522 lacs in the preceding year. . Finance costs were higher at ₹ 446 lacs from ₹ 411 lakhs as the utilization of working capital facility, from bank increased. After making a depreciation provision of ₹1,014 lacs (Previous year ₹977 lacs), profit before Exceptional income & tax was ₹ 2,357 lacs(Previous year ₹ 2,133 lacs). Exceptional income of ₹ 306 lakhs (previous year nil) on sale of part of an immovable property (held for sale), boosted the profit before tax to ₹ 2,663 lakhs (previous year ₹2,133 lakhs).

After making a provision for current tax of ₹ 483 lakhs (₹372 lacs) & considering net effect of deferred tax & MAT credit charged of ₹275 lacs (₹175 lacs in the previous year), net profit stood at ₹ 1,905 lacs. (Previous Year ₹1,595 lacs)

Key Financial Ratios

The Management had reviewed the changes in key financial ratios and have noted significant changes in all the ratios as given below :

	FY 2020-21	FY 2019-20	% change	Remarks
Revenues from operation Rs in lakhs	22,678	21,761	4%	Revenue increased in the Current year from 2nd Quarter in line with rise in realisations to offset the cost of raw material and other inputs, after reduced activity in Q1 caused by Lockdown imposed by Govt to combat the spread of Covid-19
Operating Profit Margin (%) (PBDIT)	16.83%	16.18%	4%	Operating margins improved slightly on improved realisations and on recovery of the increased costs.
Net Profit Margin (%) (PAT)	8.40%	7.33%	15%	Net profit increased on improved operating profits
Interest Coverage ratio (PBIT/Interest) in times (excluding interest capitalised)	6.28	6.19	1%	due to increased earnings
Interest Coverage ratio (PBIT/Interest) in times (including interest capitalised)	5.28	6.19	-15%	due to gradual drawal of Project Term Loan
Return on Networth (PAT/ Equity)	12.34%	10.22%	21%	due to increased profit

Debtors Turnover ratio (as a % of revenue)	20.53%	13.57%	51%	Debtors level increased due to economic conditions & price rise
Inventory Turnover ratio (as a % of revenue)	12.96%	14.81%	-12%	Inventory level decreased slightly
Current Ratio	1.39	2.01	-31%	mainly due to increase in short term borrowing;
Debt Equity ratio	0.42	0.17	147%	Due to increase in Term loans drawn for the Project.

viii) Material developments in Human Resources/Industrial Relations front:

The industrial relations climate in the Company during the year was cordial and harmonius. A 6 year Wage settlement agreement signed with workers' union at the Paper Mill will be in force upto 31-3-2022. In case of the Box unit, a 4 year Wage settlement agreement signed during the year with workers' union is in force upto 31-3-2024.

The focus of HR activities is on employee involvement in operations of the company for effective results.

Efforts are being directed at building a strong management team oriented to entrepreneurial thinking and innovation in problem solving.

As on 31st March 2021, the Company had on its rolls, 363 employees consisting of 227 workmen and 136 technical/ supervisory/ Administrative staff in different locations.

ANNEXURE TO THE DIRECTORS' REPORT
COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION

APPOINTMENT POLICY

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on industry and strategy of the Company. The appointment policy for Independent Directors, Key Managerial Personnel & Senior Executives will be as under:

(A) Independent Directors:

Independent Directors will be appointed based on the criteria mentioned under Section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, rules made thereunder & Listing Agreement entered with Stock Exchange.

(B) Key Managerial Personnel (KMP):

KMP will be appointed by the resolution of the board of directors of the company, based on the qualification, experience and exposure in the prescribed fields. Removal of the KMP will also be done by the Resolution of the Board of Directors of the Company. Appointment/Removal will be in accordance with provisions of the Companies Act, 2013, rules made thereunder & Listing Agreement entered with Stock Exchange.

(C) Senior Executives:

Senior Executives will be appointed by the Chairman & Managing Director of the Company based on their qualification, experience & exposure. Removal of the Senior Executives will also be done by Chairman & Managing Director. Further, appointment & removal will be noted by the Board as required under clause 8(3) of Companies (Meetings of Board and its Powers) Rules, 2014.

CRITERIA FOR NON EXECUTIVE DIRECTOR'S APPOINTMENT

The Nomination and Remuneration Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.

Directors would be chosen from diverse fields of expertise drawn from management, finance and other disciplines. The Nomination and Remuneration Committee will ensure that the candidate is not disqualified in any manner under Section 164 of the Companies Act, 2013.

REMUNERATION POLICY

The Company has adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and Listing Regulations.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

(i) Independent Directors (ID) and Non-Independent Non-Executive Directors are to be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members, and receive commission within regulatory limits, as recommended by the Nomination and Remuneration Committee and approved by the Board.

(ii) Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.

(iii) Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.

(iv) The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

The Nomination and Remuneration Committee will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.

REMUNERATION FOR MANAGING DIRECTOR (MD) / KEY MANAGERIAL PERSONNEL (KMP)/ REST OF THE EMPLOYEES

(i) The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.

(ii) Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides all employees with a social security net subject to limits, by providing Insurance cover and accidental death etc. The Company provides retirement benefits as applicable.

(iii) In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD is be based on performance as evaluated by the Nomination and Remuneration Committee and approved by the Board.

PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

(1) Attending Board/Committee Meetings.

(2) Going through the agenda papers and providing inputs in the meetings of Board/Committees.

(3) Guidance to the Company from time to time on the various issues brought to their notice.

(4) Discharge of duties as per Schedule IV of the Companies Act, 2013 and compliance to other requirements of the said Act or other regulatory requirements.

For and on behalf of the Board of Directors

Place : Nanjangud
Date : 24th June, 2021

Manish M Patel
Chairman & Managing Director

FORM NO. AOC - 2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

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

   (a) Name(s) of the related party and nature of relationship

   There are no transactions with related parties, other than remuneration to the following Key Managerial Personnel (KMP)/ relative of KMP

   Manish M Patel - Chairman & Managing Director - Key Managerial Personnel

   Vandhana M Patel - Wife of MD - Key Managerial Personnel

   B Ravi Holla - CFO - Key Managerial Personnel

   Vidya Bhat - Company Secretary - Key Managerial Personnel

   (b) Nature of contracts / arrangements / transactions:

   Details of transactions with the above related parties are provided in Note No. 33 to the Accounts for the Financial Year 2020-21.

   It may be seen therefrom that the total value of transactions with all the related parties are less than 10% of the total income for the financial year 2020-21 and hence, none of them are material in nature.

   Hence the details required in Paras (c) to (e) to be furnished in respect of material related party transactions are not applicable and hence not furnished.

   (f) Amount paid as advances, if any : NIL

For and on behalf of the Board of Directors

Place : Nanjangud
Date : 24th June, 2021

Manish M Patel
Chairman & Managing Director

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules 2014 and forming part of the Directors' Report for the year ended 31st March, 2021.

A) CONSERVATION OF ENERGY

Conservation of energy is an ongoing activity receiving major emphasis at all stages of manufacturing. Energy consumption is systematically monitored and conservation of energy is implemented in a phased manner.

1. Steps taken/ impact on conservation of energy:

i) The Company generates steam for process requirements as well as power generation by Circulating Fluidised Bed Combustion (CFBC) Boiler, which is energy efficient.

ii) The Company continues to phase out high energy consuming devices especially in the areas of stock refining vacuum systems and pumping systems to incorporate modern equipment.

iii) Static inverter drives have been installed for boilers, ID/FD fans and for all the rewinders to reduce energy consumption(PM5)

iv) Variable frequency drives have been installed on all the fan pumps of the new machine. This allows a continuous saving of energy at varying process conditions.

v) Paper Machines line shaft drives modified to AC variable / DC drives, resulting in energy savings.

vi) High Capacity Motors are provided with soft starters which contribute about 5% savings compared to conventional starters.

vii) Installation of capacitor banks to optimize power factor and other energy saving devices.

viii) Recycling of back water in new machine, to conserve fresh water

ix) Construction of fuel shed, for storing fuel items in good condition, resulted in reduced wastage & energy savings

x) Replaced old press section in Machine No.1 with higher nip load press part resulting in saving in steam consumption.

xi) Installed water flow meter at relevant lines to monitor and control the water consumption resulting in saving of fresh water and pumping energy.

xii) Boiler cooling water collected in a tank and fed to cooling tower which result in saving of fresh water and pumping energy.

xiii) Micro Travel Showers introduced on all machines to conserve fresh water consumption and pumping energy.

xiv) Factory Pump house motor provided with VFD with Auto pressure monitoring

xv) Energy meter is installed in all HT feeders

xvi) Filter for PM5 water reuse installed

xvii) Installed VFD for cooling water pump

xviii) All the cooling system water is connected to cooling tower thereby reducing the cooling tower water consumption.

xix) Invested on LED light fittings in the new boiler area

xxi) Installed Electronic water meter at various consumption points such as Cooling tower, DM Plant, PM 1& 4

xxii) Worn out pumps casing and impellers replaced to run the pump at optimum efficiency, thereby improving its efficiency.

xxiii) Steam line insulations replaced periodically to prevent radiation losses.

xxiv) Planning Energy Saving Equipment's in PM6 Machine.

IMPACT OF ABOVE MEASURES:

The above measures have resulted in reduced consumption of energy & consequent favourable impact on cost of production of goods.

2) Steps taken by the Company for utilizing alternate sources of energy

Company is using biomass fuel, as an alternate source of energy

3) Capital Investment on energy conservation equipments

Major investments were made in FY 2015-16 towards cogeneration facility as reported earlier

B. TECHNOLOGY ABSORPTION

Particulars in respect of this is NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

		2020- 21	**2019- 20**
		₹ in Lakhs	**₹ in Lakhs**
	Total Foreign exchange used :		
A	Raw Materials	3,974.56	4,265.14
B	Stores, Spares, Consumables	106.39	262.38
C	Capital Goods	2,940.29	466.14
D	Commission & Brokerage	-	5.21
E	Travelling Expenses	-	2.41
		7,021.24	**5,001.28**
	Total Foreign exchange earned :	**94.38**	**661.61**

DISCLOSURE UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

(A) Statement of particulars of Remuneration as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 and forming part of the Directors' Report for the year ended 31st March, 2021

Sl No.	Description		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Chairman & Managing Director	32:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, for the financial year	Chairman & Managing Director CFO Company Secretary	10% 7% 4%
3	The percentage increase in the median remuneration of employees in the financial year		9%
4	The number of permanent employees on the rolls of the Company		363
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration	Average increase in the salary of employees other than managerial persons Managerial Remuneration	13.50% 9.78%
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration is as per the remuneration policy of the Company	

B Statement of Particulars of employees who are in receipt of remuneration of not less than ₹ 1,02,00,000 in aggregate during the year pursuant to Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2021.

Sl. No.	Name, Age & Qualification	Designation, Commencement of employment & Experience	Remuneration received (₹ in Lakhs)	Particulars of last Employment
1	2	3	4	5
(1)	Manish M.Patel, 62, B.E.Hons. (ChE), M.B.A.	Managing Director from 20/5/04 10-09-1985(35)	125.12	Executive, Personal Banking Division Comerica Inc., Detroit, MI, USA.

Note : The appointment is contractual. Other terms and conditions are as per rules and regulations of service in force from time to time. Gross remuneration comprises of salary, monetary value of perquisites, commmission payable to Whole-time Directors on net profits & the Company's contribution to provident fund & super annuation fund.

For and on behalf of the Board of Directors

Place : Nanjangud
Dated : 24th June, 2021

Manish M Patel
Chairman & Managing Director

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES(CSR) FOR THE FINANCIAL YEAR 2020-21
[Information as per Section 135 of the Companies Act, 2013 and Companies (CSR Policy) Rules 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs

The company is consistently taking up various community welfare initiatives for the benefit of the people living in neighbouring villages. The Company's CSR activity mainly covers areas situated around the factory premises.

In accordance with the requirements under the Companies Act, 2013, SIPM CSR activities, amongst others, will focus on:

RURAL DEVELOPMENT PROJECTS: Strengthening rural areas by improving accessibility, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

ENVIRONMENTAL SUSTAINABILITY: Ensuring environmental sustainability ecological balance, protection of flora and fauna, conservation of natural resources and maintaining the quality of soil, air and water.

PROMOTING EDUCATION

The CSR Policy is posted on the website of the Company : www.sipaper.com

2. Composition of CSR Committee

(i) Mr Manish M Patel - Chairman

(ii) Mr M G Mohan Kumar - Member (Independent Director)

(iii) Mr S R Chandrasekara Setty - Member (Independent Director)

3. Average net profit of the Company for the last 3 financial years : ₹ 1,460.01 lakhs

4. Prescribed CSR expenditure (2% of the amount as in Item 3 above) ₹ 29.20 lakhs

5. Details of CSR spent during the Financial year

(a) Total amount to be spent for the financial year : ₹ 29.20 lakhs

(b) Amount unspent, if any : ₹ 20.63 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

Sl No.	Particulars	₹ in lakhs
i)	Improvement in Health care and Education	0.71
ii)	Rural Development work and facilities for the welfare of villagers	3.36
iii)	Disaster Management including relief, rehabilitation & reconstruction – COVID 19 Relief to the needy by distribution of grocery kits through Taluk Administration	4.20
iv)	Eradicating hunger	0.30
	TOTAL AMOUNT SPENT	**8.57**

6. In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report.

The Company has made provision for liability towards unspent CSR amount of ₹ 20.63 lakhs, which will be paid as per the CSR Rules, as amended.

For and on behalf of the Board of Directors

Place : Nanjangud
Dated : 24th June, 2021

Manish M Patel
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

1. COMPANY`S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that 'Ethics' is the key word for sustained growth. The Company has continuously endeavoured to uphold transparency, accountability and compliance in all business practices and to have better rapport with the customers, suppliers, Government, shareholders and the society, in general. We are committed to being on the path to progress.

2. BOARD OF DIRECTORS

The Board of Directors of the company comprises of 9 Directors as on 31.03.2021.

Names of Directors	Category
Mr. Manish M. Patel	Chairman & Managing Director
Mr. Dineshchandra C. Patel	Non Executive Director
Mr. Jagdish M. Patel	Independent, Non Executive Director
Mr. M.G. Mohan Kumar	Independent, Non Executive Director
Mr. S.R.Chandrasekara Setty	Independent, Non Executive Director
Mr. Ajay D. Patel	Non Executive Director
Mr. N.S. Kishore Kumar	Independent, Non Executive Director
Mr. Jitendra A Patel	Non Executive Director
Mrs. Girija Shankar	Independent, Non Executive Director

The Company has an Executive Chairman & Managing Director. The other 8 Directors, out of the total strength of 9, are non- executive Directors. 50% of the Board consists of Independent & Non Executive Directors.

During the financial year under review 4 Board Meetings were held.

Board Meeting Dates are furnished below

- 25th June 2020
- 30th July 2020
- 29th October 2020
- 28th January 2021

Attendance of each Director at the Board Meeting and last Annual General Meeting:

Name of Director	No. of Board Meetings Attended	Attendance at the last AGM held on 24th September, 2020
Mr. Manish M. Patel	4	Yes
Mr. Dineshchandra C. Patel	4	Yes
Mr. Jagdish M. Patel	4	Yes
Mr. M.G. Mohan Kumar	3	Yes
Mr. S.R. Chandrasekara Setty	4	Yes
Mr. Ajay D. Patel	3	Yes
Mr. N S Kishore Kumar	4	Yes
Mr. Jitendra A Patel	4	Yes
Mrs Girija Shankar	4	Yes

Mr. Dineshchandra C Patel and Mr Ajay D. Patel are related inter- se.

Number of other company boards or board committees in which each of the Directors of the Company is a member or chairman

Name of Director	No. of other Companies in which Director	No. of Committees (other than SIPM Ltd.) in which member/ Chairman	Directorship in other listed entities and category of directorship
Mr. Manish M. Patel	3	-	-
Mr. Dineshchandra C. Patel	1	-	-
Mr. Jagdish M. Patel	-	-	-
Mr. M.G. Mohan Kumar	7	3(as Chairman)	Starcom Information Technology Ltd – Independent Director
Mr. S.R. Chandrasekara Setty	-	-	-
Mr. Ajay D. Patel	4	-	-
Mr. N S Kishore Kumar	-	-	-
Mr. Jitendra A Patel	2	-	-
Mrs. Girija Shankar	-	-	-

Details of Independent Director's Meeting

A separate meeting of Independent Director's was held on 29-03-2021 and it was attended by all the Independent Directors.

The Board of Directors confirm that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Details of familiarization programme imparted to the Independent Directors is placed on the website www.sipaper.com.

CORE SKILLS / EXPERTISE / COMPETENCIES OF DIRECTORS

The Board of Directors of the Company comprise of eminent qualified professional members from diverse fields who have significant amount of skills/ expertise/ competencies and thus make valuable contributions to the Board. The collective contribution of the Board of Directors makes an overall impact which reflects in the performance of the Company.

The core skills/ expertise/ competencies identified by the Board, as required in the context of its business and its sector for effective functioning , which are currently available with the Board are summarized below

The board is satisfied that its Directors possess requisite skills for the effective functioning of the Company.

Names of Directors	Experience in operating and managing manufacturing business	Expertise in finance including treasury and foreign exchange	Expertise in overall management and administration	Commitment to comply with legal and regulatory norms	Social and environment consciousness
Manish M Patel	√		√	√	√
Dineshchandra C Patel	√		√	√	√
M G Mohan Kumar		√		√	√
S R Chandrasekara Setty		√		√	√
Jagdish M Patel			√	√	√
Ajay D Patel	√		√	√	√
Jitendra A Patel	√		√	√	√
N S Kishore Kumar		√		√	√
Girija Shankar				√	√

3. AUDIT COMMITTEE

The broad terms of reference of the Audit Committee are:

- Oversight of Company's financial reporting process, disclosure of its financial information
- Recommendation for appointment, remuneration and terms of appointment of Auditors
- Reviewing with the management annual financial statements and quarterly financial statements
- Review of Capital expenditure, Statutory payments and institutional dues
- Other areas enumerated in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as may be applicable

The Audit Committee is empowered to do such acts and deeds as mentioned under Listing Regulations

The Committee comprises of the following Directors and their attendance particulars are as follows:

Name	No. of meetings attended
Mr. M.G. Mohan Kumar - Chairman	4
Mr. S.R. Chandrasekara Setty - Joint Chairman	4
Mr. Jagdish M Patel	1

The Company Secretary of the Company is the secretary of the Committee

The Audit Committee met four times during the financial Year 2020-2021 i.e on

- 25th June 2020
- 30th July 2020
- 29th October 2020
- 28th January 2021

4. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee was constituted vide Board Meeting held on 30th May, 2009 to review the remuneration package of Chairman & Managing Director and to recommend to the Board.

The role of the Committee also includes formulation of criteria for determining the qualification, attributes of Independence of Director, recommending to the Board the remuneration policy for Directors and Key Managerial Personnel, formulation of criteria for evaluation of Independent Directors. The terms of reference to Nomination & Remuneration Committee also includes other areas enumerated in Part D of Schedule II of SEBI (LODR) Regulations.

The Nomination & Remuneration Committee comprises of the following Directors

Name

1. Mr. M.G. Mohan Kumar - Chairman
2. Mr. S.R. Chandrasekara Setty
3. Mr. Jagdish M Patel

1 meeting was held during the year on 25th June 2020 and it was attended by all the members

Performance evaluation criteria of Independent Directors :

(a) Attending Board/ Committee Meetings
(b) Going through Agenda papers and providing inputs in the meetings of the Board / Committees
(c) Guidance to the Company from time to time on the various issues brought to their notice
(d) Discharge of duties as per Schedule IV of the Companies Act 2013 and compliance to other requirements of the said Act or other regulatory requirements.

REMUNERATION TO NON WHOLETIME DIRECTORS

Non-Whole Time Directors are paid sitting fees. Commission not exceeding 1% (aggregate for all Non-Whole Time Directors) of the net profit of the Company as per Section 197 of the Companies Act 2013, will be paid to the Non Whole Time Directors subject to adequacy of profits, as approved by the shareholders resolution on 19-09-2019 for a period of 5 years. The commission shall be shared among the Non-Whole Time Directors equally and in proportion to the period of holding directorship in that financial year.

Name of Director	Sitting Fees (₹ in Lakhs) (Board /Committee Meetings)	Commission (₹ in Lakhs)	Total (₹ in Lakhs)
Mr. Dineshchandra C Patel	0.40	3.125	3.525
Mr. Jagdish M Patel	0.50	3.125	3.625
Mr. M G Mohan Kumar	0.90	3.125	4.025
Mr. S R Chandrasekara Setty	1.00	3.125	4.125

Mr. Ajay D Patel	0.30	3.125	3.425
Mr. N S Kishore Kumar	0.50	3.125	3.625
Mr. Jitendra A Patel	0.40	3.125	3.525
Mrs. Girija Shankar	0.60	3.125	3.725
Total	**4.60**	**25.000**	**29.600**

REMUNERATION TO CHAIRMAN AND MANAGING DIRECTOR / WHOLE TIME DIRECTORS

Mr Manish M Patel, Chairman & Managing Director of the Company is the only Whole time Director. No sitting fees is paid to him. Remuneration to Chairman & Managing Director within the ceiling prescribed under the Companies Act, is approved by the Remuneration Committee and Board of Directors and further approved by the members of Company in General Meeting held on 19th Sept 2019 by special resolution. Remuneration paid/ provided to Mr. Manish M Patel for 2020-2021, is as follows:

Particulars	**₹ in lakhs**
Salary	90.00
Perquisites	11.16
Commission on net profits of the Company	22.75
Contribution to Provident Fund	0.21
Contribution to Super Annuation Fund	1.00
Total	**125.12**

5. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee operates in terms of the provisions related thereto in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or the provisions as prescribed or as may be prescribed in this regard by the Companies Act, 2013. During the year the Company has re – constituted the Stakeholder Relationship Committee to comply with the amended Regulation 20(2A) of the SEBI (LODR) Regulations, at their Board meeting held on 30th July 2020. The Committee now comprises of the following 3 Directors

Mr. M.G. Mohan Kumar – Chairman

Mr. S R Chandrasekara Setty

Mrs Girija Shankar – Appointed to the Committee as Member w.e.f 30th July 2020

The Committee met once during the year on 29-03-2021 and all the members were present at the meeting.

The members of the aforesaid Committee have been delegated authority by the Board of Directors, inter alia, to approve transfer and transmission of shares, issue of new share certificates on account of certificates lost, defaced and to look into the redressal of share holders / investor complaints like non-receipt of balance sheet, non-receipt of declared dividends, etc. The terms of reference also includes other areas enumerated in Part D of Schedule II of SEBI (LODR) Regulations.

- Name & designation of compliance officer : Mrs Vidya Bhat, Company Secretary
- No. of shareholders complaints Received during 2020-2021 : Relating to Non credit of Demat shares/dividend/Bonus share certificate/ Share certificates after transfer, aggregating to All 7 were resolved.
- No. of complaints not solved to the satisfaction of shareholders : Nil
- No. of pending complaints as on 31st March 2021 : Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR Committee)

The Company has constituted a Corporate Social Responsibility Committee as mandated by Section 135 of the Companies Act 2013 vide Board Meeting held on 27.01.2015. The Committee comprises of the following Directors.

Mr Manish M Patel - Chairman

Mr M G Mohan Kumar - Member

Mr S R Chandrasekara Setty - Member

The broad terms of reference of the CSR Committee are as under:

- Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the aforesaid activities and;
- Reviewing and Monitoring the CSR Policy of the company from time to time.

Meeting Details: 4 meetings were held on 12-04-2020, 11-06-2020, 01-09-2020 and 29-03-2021 and was attended by all the members

7. GENERAL BODY MEETING

The details of last three Annual General Meetings of the Company are as under.

Financial Year	Date & Time	Venue	Special resolutions passed
2017-18	20th September, 2018 at 3.30 p. m	Regd office at Chikkayanachatra, Nanjangud - 571302	Approval for 1. Reappointment of Mr Manish M Patel as Managing Director and remuneration. 2. Increase in borrowing powers of the Board 3. Creation of charge / providing of security
2018-19	19th September 2019 at 3.30 p.m	-do-	Approval for 1. Reappointment of Mr M G Mohan Kumar as an Independent Director 2. Reappointment of Mr S R Chandrasekara Setty as an Independent Director

			3. Reappointment of Mr Jagdish M Patel as an Independent Director 4. Reappointment of Mr N S Kishore Kumar as an Independent Director 5. Reappointment of Mrs Girija Shankar as an Independent Director 6. Approval for payment of commission to non whole time directors
2019-20	24th September 2020 at 11.30 am	Regd office at Chikkayanachatra, Nanjangud – 571302 by video conference	Approval for 1. Approval for appointment of Mr Dineshchandra C Patel (DIN 00167581) 2. Payment of remuneration to Mr Manish M Patel (DIN 00128179), Managing Director

There were no items in the Agenda requiring voting by Postal Ballot. There are no items in the Agenda of the forthcoming AGM requiring Postal Ballot.

8. OTHER DISCLOSURES

Related Party Transactions:

Shareholdings of Directors of the Company as on 31st March 2021 are as follows

Sl. No.	Name of Director	Shareholding	
		No. of Shares	% of Holding
1	Mr. Manish M Patel	2,18,252	1.46%
2	Mr. Dineshchandra C Patel	5,20,043	3.47%
3	Mr. Jagdish M Patel	1,47,610	0.98%
4	Mr. M G Mohan Kumar	3,200	0.02%
5	Mr. S R Chandrasekara Setty	2,000	0.01%
6	Mr. Ajay D Patel	3,32,752	2.22%
7	Mr. N S Kishore Kumar	6,400	0.04%
8	Mr. Jitendra A Patel	4,47,520	2.98%
9	Mrs. Girija Shankar	NIL	NIL

There were no transactions of material nature with its promoters, the Directors or the management, or their relatives, etc. that may have potential conflict with the interests of the Company at large. The Company does not have any transactions with any person or entity belonging to promotees/promotee group which holds 10% or more shareholding in the company

Company's policy on dealing with related party transactions are available on the Company's website www.sipaper.com.

COMPLIANCES BY THE COMPANY

(a) With respect to Reg. 17(1A) of SEBI (LODR) Regulations, the Company at its AGM held on 24th September 2020 have ratified the appointment of Mr. Dineshchandra C Patel, who has attained the age of 75 years, by passing a special resolution and thereby complying with the amended Reg. 17(1A) of SEBI Regulations.

(b) The Company has reconstituted the stakeholder relationship committee & it now comprises of 3 Directors in terms of the amended Reg. 20(2A) of SEBI Regulations.

(c) The Company has not entered into any fresh related party transactions. Remuneration paid to KMP/Non wholetime Directors is as per earlier approvals. Since there was no fresh RPT, disclosures under Reg. 23(9) was missed out inadvertently. However the Company has now filed the requisite disclosures under Reg. 23(9) and has informed BSE regarding all the disclosures.

The Company has complied with the other corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation 2 of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

No penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to Capital Markets.

Certificate from CS Hitaish Kumar S N, Practising Company Secretary, Mysuru has been obtained certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed to the Corporate Governance Report.

Code of Conduct:

The Board has formulated a code of conduct for Board members and Senior Management of the Company. All Board members and senior management personnel have affirmed their compliance with the Code.

Prevention of Insider Trading:

The Board has formulated a policy on Insider Trading and Code of Conduct for regulating, monitoring and reporting of trading of shares by insider. The copy of the policy is available on the website of the company www.sipaper.com.

CEO/CFO Certification:

CEO/CFO Certification by Mr. Manish M.Patel, Chairman and Managing Director and Mr. B.Ravi Holla, CFO, as stipulated by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, was placed before the Board of Directors at its meeting held on 24th June 2021.

Whistle Blower Policy

As per Section 177 (9) of the Act, read with relevant Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has established a vigil mechanism overseen by the Audit Committee. The Company has framed a Whistle Blower policy as required under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and no personnel has been denied access to the Audit Committee.

COMPLIANCE WITH RESPECT TO DISCRETIONARY REQUIREMENTS

The Company has adopted following non-mandatory / discretionary requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Regulation 27(1)].

Modified Opinion(s) in Audit Report

The Company is in the regime of financial statements with unmodified audit opinion.

Risk Management

The Company has a risk management framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimise adverse impact on the business objective and enhance the Company's competitive advantage. It aims at ensuring that the executive management controls the risk through means of a properly defined framework.

The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

The Board of Directors have constituted a Risk Management Committee as required under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 vide Board Meeting held on 27.01.2015 to frame, implement and monitor the risk management plan of the Company. The Committee comprises of the following Directors.

Mr Manish M Patel - Chairman
Mr M G Mohan Kumar - Member
Mr S R Chandrasekara Setty - Member

The terms of reference of risk management committee include review of Risk management policy and its development within the Company, to monitor the effectiveness of risk management policy, review major risks of the Company and to advice on mitigation to the Board.

Meeting details : 1 meeting was held during the Financial year 2020-21 on 29th March, 2021 and it was attended by all the members.

REMUNERATION TO STATUTORY AUDITORS

Total fees paid by the Company to the statutory auditor M/s Murthy Swamy & Associates, LLP, Chartered Accountants, Mysuru (FRN S200065) have been provided in Notes to financial statement for Financial year ending 31st March 2021.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy in line with the provisions of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace

a. No of complaints filed during the financial year : NIL
b. No of complaints disposed of during the financial year : NIL
c. No of complaints pending as at the end of the financial year : NIL

Compliance with Mandatory & Non mandatory requirements:

Company complies with all the mandatory requirements of Corporate Governance contained in the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. Non mandatory requirements, in the opinion of the Board, have no material bearing on the current standards of Corporate Governance and hence will be addressed as appropriate, in future.

9. MEANS OF COMMUNICATION

The unaudited quarterly and half yearly results and yearly results are sent to the Stock Exchange(s) where the shares of the Company are listed. The results are generally published in Business Standard and Vishwavani. The Results are also displayed on the Company's website www.sipaper.com. Other communications are disclosed through the Company's website.

The Management Discussion and Analysis is a part of this Annual report.

10. GENERAL SHAREHOLDER INFORMATION:

- AGM-Date, time and Venue — 23rd September, 2021 at 11.30 A.M. Through Video Conference (VC)
- Financial Calendar — April 1, 2021 to March 31,2022
  - First Quarter Results — Last week of July 2021
  - Second Quarter Results — Last week of October 2021
  - Third Quarter Results — Last week of January 2022
  - Audited Results for 2021-22 — Last week of May 2022
  - First quarter Results of 2022-23 — Last week of July 2022
  - Annual General Meeting — September 2022
- Date of Book Closure — 01/09/2021 to 25/09/2021
- Dividend payment date — Before 20th October 2021
- Listing on Stock Exchanges — BSE Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Listing fees for 2021-2022 has been paid to the above Stock Exchange.
- Stock Code — The Bombay Stock Exchange (Code 516108)
- ISIN No. — ISIN No. allotted for Company's equity shares is INE 088G01014 under Demat System and is activated at both CDSL & NSDL
- Market price data & Stock Performance in comparison to BSE sensex.

Monthwise Market Prices Data – High, Low & Volume during 2020-2021

Date	High (₹)	Low (₹)	No. of Shares	BSE Sensex	
				High	Low
April 2020	55.00	42.00	21,606	33,887	27,501
May 2020	62.00	52.10	32,218	32,845	29,968
June 2020	62.45	53.30	1,58,194	35,707	32,348
July 2020	66.80	56.00	1,12,294	38,617	34,927
August 2020	74.00	60.00	81,706	40,010	36,911
September 2020	67.75	59.00	79,404	39,360	36,496
October 2020	67.70	58.10	75,833	41,048	38,410
November 2020	68.00	56.00	1,30,383	44,825	39,335
December 2020	83.70	63.25	1,45,644	47,897	44,118
January 2021	102.90	77.00	3,31,075	50,184	46,160
February 2021	91.70	74.00	2,21,563	52,517	46,434
March 2021	97.95	77.50	2,19,416	51,822	48,236

Registrar and Transfer Agent

The Company has appointed Common agency to handle both physical & Electronic segments of RTA work as per SEBI requirement w.e.f 1-4-2003.

Address of our Registrars & Transfer Agents
KFin Technologies Pvt Ltd
Selenium Tower B
Plot No. 31 & 32
Gachibowli Financial District, Nanakramguda
Serilingampally, Hyderabad -500 032

- **Share Transfer System**

SEBI in June 2018 amended Regulation 40 of the Listing Regulations prohibiting transfer of shares held in physical mode w.e.f 1st April 2019. Transposition and Transmission are exempted from this amendment. Accordingly transfer of shares in physical mode is not permitted

Requirements under the Listing Regulations /Statutory obligations are being followed

- Shareholding pattern & Distribution of Shareholding:-

Shareholding pattern as on 31st March, 2021			
Sl No.	**Category**	**No. of Shares Held**	**Percentage of Shareholding**
A	Promoters' Holding		
1	Promoters*		
	- Indian Promoters	39,77,694	26.52%
	- Foreign Promoters	23,10,752	15.41%
	Sub-Total	**62,88,446**	**41.92%**
B	Non-Promoters' Holding		
2	Institutional Investors		
A	Mutual Funds and UTIs	1,200	0.01%
B	Banks, Financial Institutions, Insurance Companies (Central/State Govt.Institutions, Non Government Institutions.)	2,62,000	1.75%
C	FIIs / Foreign Portfolio Investors		
	Sub-Total	**2,63,200**	**1.76%**
3	Others		
A	Private Corporate Bodies	3,00,353	2.00%
B	Indian Public	70,76,407	47.18%
C	NRIs	7,45,018	4.97%
D	Any other (please specify)		
	a) Welfare Fund / Trust	38,000	0.25%
	b) HUF	1,75,003	1.17%
	c) Clearing members	5,773	0.04%
	d) IEPF	1,07,800	0.72%
	Sub-Total	**84,48,354**	**56.32%**
	Grand Total	**1,50,00,000**	**100.00%**

Distribution of Shareholding As on 31st March 2021				
Category	**No of Holders**	**%**	**No of shares**	**%**
Upto 100 shares	1116	27.92	54602	0.36
101-200	582	14.56	108815	0.73
201-500	1511	37.80	593542	3.96
501-1000	300	7.51	244648	1.63
1001-5000	307	7.68	690804	4.61
5001-10000	59	1.48	422427	2.82
10001-100000	88	2.20	3005938	20.04
100001 and above	34	0.85	9879314	65.86
TOTAL	**3,997**	**100.00**	**1,50,00,000**	**100.00**

- Dematerialisation of shares and Liquidity

  Company has entered into tripartite agreement with National Securities Depository Ltd (NSDL) & Central Depository Services (India) Ltd.(CDSL). As per Amendments to Reg 40 of SEBI LODR Regulation in June 2018 transfer of shares in physical mode is prohibited w.e.f 1st April 2019. Hence for trading in the shares of our Company the shares have to be compulsorily dematted.

  As on 31.03.2021, 3,014 shareholders are holding shares in demat form and 1,41,91,726 shares have been dematerialized, representing 94.61% of the total equity capital.

- Outstanding GDRs/ADRs/Warrants Or any Convertible instruments

  Not issued

- Plant Locations

  Chikkayanachatra, Nanjangud - 571 302
  Thandavapura, Nanjangud - 571 302
  Karnataka State, INDIA

- Address for Correspondence

  Our Registrars & Transfer Agents
  KFin Technologies Pvt Ltd
  Selenium Tower B, Plot No. 31& 32
  Gachibowli Financial District, Nanakramguda
  Serilingampally, Hyderabad -500 032, Telangana
  Tel : (040) 6716 2222
  E-mail : einward.ris@kfintech.com
  Registered Office of Company
  Chikkayanachatra, Nanjangud-571 302
  Karnataka State, INDIA
  Tel: (08221) 228265, 228266, 228267
  Fax : (08221) 228270
  Website : www.sipaper.com
  E-mail : corporate@sipaper.com
  investor@sipaper.com
  (for investor grievance redressal)

Declaration on Code of Conduct: As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board Members and the Senior Management Executives/ Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

For and on behalf of the Board

Nanjangud
Dated : 24th June, 2021

Manish M Patel
Chairman & Managing Director

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

To,

The Members of
The South India Paper Mills Limited

I have examined the compliance of conditions of Corporate Governance by **The South India Paper Mills Limited** (hereinafter referred to as "Company") for the financial year ended 31st March 2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"].

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished to me by the Company, I certify that the Company has complied with the conditions of Corporate Governance, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021, except delay in compliance of: (i) amended Regulation 17(1A) wherein Special Resolution was passed in 61st Annual General Meeting held on 24.09.2020 for ratification of appointment of Mr. Dineshchandra C Patel on attaining age of 75 years, (ii) reconstitution of Stakeholder Relationship Committee in the Board Meeting held on 30.07.2020 in terms of amended Regulation 20(2)/(2A) and (iii) submission of disclosures of related party transactions on a consolidated basis as per Regulation 23(9).

Date : June 24, 2021
Place : Mysuru

Hitaish Kumar S N
Practicing Company Secretary
FCS 6564 CP 6553
UDIN: F006564C000510980

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 of
The South India Paper Mills Limited
CIN: L85110KA1959PLC001352
Chikkayana Chatra
Nanjangud – 571 302, Karnataka, India

I have examined the Register of Directors maintained under the Companies Act 2013, forms and disclosures received from the Directors of The South India Paper Mills Limited having CIN: L85110KA1959PLC001352 and having registered office at Chikkayana Chatra, Nanjangud – 571 302, (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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

According to the information and explanations furnished to me by the Company & its officers and according to my verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), I hereby certify that the following Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have not been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such Statutory Authority:

Sr. No.	Name of Director	DIN	Designation
1	Manish M Patel	00128179	Chairman and Managing Director
2	Dineshchandra C Patel*	00167581	Non Executive Director
3	Jagdishbhai Patel	00128834	Independent, Non Executive Director
4	M G Mohan Kumar	00020029	Independent, Non Executive Director
5	S R Chandrasekara Setty	00017055	Independent, Non Executive Director
6	Ajay D Patel	00466905	Non Executive Director
7	N S Kishore Kumar	03422169	Independent, Non Executive Director
8	Jitendra A Patel	00248302	Non Executive Director
9	Girija Shankar	07148094	Independent, Non Executive Director

***Note:** Mr. Dineshchandra C Patel was re-appointed as Director at the 59th Annual General Meeting held on 20th September 2018. The Company has passed a Special Resolution at its 61st Annual General Meeting held on 24.09.2020 for approval and ratification of his appointment in terms of amended Regulation 17(1A) of Listing Regulations.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

(Hitaish Kumar S N)
Practicing Company Secretary
Membership No.: 6564
CP No.: 6553
UDIN: F006564C000510971

Date : June 24, 2021
Place : Mysuru

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
The South India Paper Mills Limited
CIN L85110KA1959PLC001352
Chikkayana Chatra
Nanjangud – 571 302

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The South India Paper Mills Limited** (hereinafter referred to as "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts, statutory compliance and expressing my opinion thereon.

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our 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 furnished to us and also the representations made and 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 31st March, 2021 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced to me for my verification, for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 and the Rules made thereunder ("the Act");
(ii) The Securities Contracts (Regulation) Act, 1956 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [***Not applicable since there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings 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, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations. 2018 [***Not applicable as the Company has not issued any further share capital during the Audit period***];
   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [***Not applicable since there are no Employee Stock Option Scheme, Employee Stock Purchase Scheme, General Employee Benefit Scheme, stock appreciation rights scheme during the Audit Period***];
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [***Not applicable since there was no debt securities issued during the Audit Period***];
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client [***Not applicable since the Company is not a Registrar and Share Transfer Agent***];
   g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 [***Not applicable since there was no delisting of equity shares during the Audit Period***]; and
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [***Not applicable since there was no Buyback of securities during the Audit Period***]
(vi) The Management has identified the following laws as specifically applicable to the Company:
   (a) The Electricity Act, 2003
   (b) National Tariff Policy

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Central Government;

(ii) Uniform Listing agreements with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations (hereinafter referred to as "Listing Regulations");

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc., mentioned subject to my comments listed in annexure I.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors' subject to my comments listed in annexure I. There were no changes in the composition of the Board of Directors of the company during the Audit Period.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes to 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.

Majority decisions were carried through and no dissenting views were expressed by the members as per the minutes recorded and produced to me for my verification.

I further report that there are reasonably 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 were no instances of any specific events or actions having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.

24.06.2021
Mysuru

CS Hitaish Kumar S N
FCS No.6564
C P No.:6553
UDIN: F006564C000505491

Note: This report has to be read along with the annexure II which forms an integral part of this report.

Annexure I

1. Reference is drawn to my comments in Secretarial Audit Report dated 25.06.2020 wherein,

(a) the Company has passed a Special Resolution in its 61st Annual General Meeting held on 24.09.2020 for ratification of appointment of Mr. Dineshchandra C Patel on attaining age of 75 years in terms of amended Regulation 17(1A) of Listing Regulations; and

(b) Stakeholder Relationship Committee was reconstituted in the Board Meeting held on 30.07.2020 in terms of Regulation 20(2)/(2A) of Listing Regulations.

2. Disclosures of related party transactions on a consolidated basis as per Regulation 23(9) of Listing Regulations for the half year ended 30.09.2020 was filed belatedly on 30.01.2021..

Annexure II

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems and processes to ensure the compliance of the various statutory requirements and Governance systems and to ensure that the systems and processes devised are operating effectively. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. I believe that audit evidence and information obtained from the Company's Management provide reasonable basis for my opinion. The verification was done on test basis to ensure correctness of facts reflected in the records.
4. I have obtained the Management representation about the Compliance of Laws, Rules and Regulations and occurrence of events, wherever required.
5. My 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.

24.06.2021
Mysuru

CS Hitaish Kumar S N
FCS No.6564
C P No.:6553
UDIN: F006564C000505491

INDEPENDENT AUDITOR'S REPORT

To

The Members of
The South India Paper Mills Limited, Nanjangud
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **The South India Paper Mills Limited** ("the Company") which comprises the Ind AS Balance Sheet as at **31st March 2021**, the Ind AS Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Ind AS Cash Flow Statement and the Ind AS Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profits 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of the Auditor's report.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the 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 for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 Ind AS 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 Ind AS 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 Ind AS 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 section 143(11) of the Act, 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 Ind AS Balance Sheet, the Ind AS Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Ind AS Cash Flow Statement and Ind AS Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act;
   e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**;

g) In our opinion, the managerial remuneration for the year ended 31st March, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 24th June 2021
Place : Mysore

for **Murthy Swamy & Associates LLP**
Chartered Accountants
Firm Registration Number: S200065

Narayana Swamy T S
Partner
UDIN : 21241535AAAAAQ4722

Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

(i) In respect of the Company's property, plant and equipment -

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the practice of the Company, all items of property, plant and equipment are physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, a portion of the fixed assets has been physically verified by the Management during the year the Management has confirmed that no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and the discrepancies noticed were not material. Discrepancies noted on physical verification of inventories have been properly dealt with in the books of account.

(iii) According to the 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, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans, investments or provided guarantees and security for which the provisions of Section 185 and 186 of the Act are applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the cost accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(l) of the Act, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate.

(vii) According to the records of the Company :

a) the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues applicable to it.

b) On the basis of our examination of the documents and records, disputed statutory dues to the extent which have not been deposited with the appropriate authorities are as under :

Statute	Nature of the Dues	Amount in dispute not acknowdeged	F. Y. to which the amount	Forum where the dispute is pending
Central Excise Act, 1944 / CENVAT Credit Rules, 2004	Excise	₹ 8,15,339	2008-09	CESTAT, Bangalore
	Penalty	₹ 50,000		

Except dues stated above, there are no other dues of income tax, sales-tax, service tax, custom duty, excise duty, value added tax, goods and services tax and cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to banks. The Company does not have any borrowings from Government and financial institutions or has not issued any debentures.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or no fraud on the company by the officers or employees of the company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and based on our examination of the records of the Company, the managerial remuneration has been paid / provided 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 by the management, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given by the management and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company.

(xv) According to the information and explanations by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act. Accordingly, the provisions of Paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Date : 24th June 2021
Place : Mysore

for **Murthy Swamy & Associates LLP**
Chartered Accountants
Firm Registration Number: S200065

Narayana Swamy T S
Partner
UDIN : 21241535AAAAAQ4722

Annexure B to the Independent Auditor's Report of even date on the financial statements of The South India Paper Mills Limited

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

We have audited the internal financial controls over financial reporting of **The South India Paper Mills Limited** ("the Company") as at 31st March 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by

the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date : 24th June 2021
Place : Mysore

for **Murthy Swamy & Associates LLP**
Chartered Accountants
Firm Registration Number: S200065

Narayana Swamy T S
Partner
UDIN : 21241535AAAAAQ4722

THE SOUTH INDIA PAPER MILLS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	Notes	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,000.06	12,807.44
Capital work in progress	3	10,606.32	1,497.16
Other Intangible assets	3	0.01	0.63
Other Non-Current Assets	4	1,976.67	3,154.17
		24,583.06	**17,459.40**
Current assets			
Inventories	5	2,939.87	3,223.29
Financial assets			
Trade receivables	6	4,638.82	2,952.92
Cash and cash equivalents	7	24.34	39.48
Other bank balances	8	916.69	1,303.16
Other Financial Assets	9	26.82	26.26
Other Current Assets	10	721.73	309.07
		9,268.27	7,854.18
Assets classified as held for sale		9.98	21.16
		9,278.25	**7,875.34**
TOTAL ASSETS		**33,861.31**	**25,334.74**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1,500.00	1,500.00
Other equity	12	17,061.34	15,433.83
TOTAL EQUITY		**18,561.34**	**16,933.83**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	6,431.77	2,614.46
Other Financial Liabilities	14	164.24	168.24
Provisions	15	82.13	39.61
Deferred tax liabilities (net)	16	1,938.45	1,663.84
		8,616.59	**4,486.15**
Current liabilities			
Financial liabilities			
Borrowings	17	3,048.88	1,058.95
Trade payables	18		
(a) total oustanding dues of MSME; and		2.44	2.00
(b) total oustanding dues of creditors other than MSME		1,566.89	1,339.69
Other Financial Liabilities	19	1,022.18	735.44
Other Liabilities	20	621.50	464.94
Provisions	21	373.49	296.24
Current tax liabilities (net)	22	48.00	17.50
		6,683.38	**3,914.76**
TOTAL LIABILITIES		**15,299.97**	**8,400.91**
TOTAL EQUITY AND LIABILITIES		**33,861.31**	**25,334.74**

Summary of significant accounting policies & key accounting estimates & judgements - See Note 1 & 2
The accompanying notes are an integral part of the financial statements.

MANISH M. PATEL
Managing Director

M.G. MOHAN KUMAR
Director

As per our report of even date
for **Murthy Swamy & Associates LLP**
Chartered Accountants
Firm's Regn. No.: S200065

B. RAVI HOLLA
Chief Financial Officer

VIDYA BHAT
Company Secretary

Narayana Swamy T S
Partner
Membership No.: 241535

Place : Nanjangud
Date : 24th June 2021

THE SOUTH INDIA PAPER MILLS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Notes	Year ended 31.03.2021 ₹ in Lakhs	Year ended 31.03.2020 ₹ in Lakhs
INCOME			
Revenue from Operations	23	22,678.27	21,761.08
Other income	24	43.03	82.85
TOTAL INCOME		**22,721.30**	**21,843.93**
EXPENSES :			
Cost of materials consumed	25	9,901.72	9,385.12
Changes in Inventories of Finished Goods and Work-in-Progress	26	121.72	(54.95)
Employee benefits expense	27	2,680.23	2,499.33
Depreciation and amortisation expense	3	1,014.38	976.66
Finance costs	28	445.83	411.46
Other expenses	29	6,200.44	6,492.87
TOTAL EXPENSES		**20,364.32**	**19,710.49**
Profit before Exceptional Items & Tax		2,356.98	2,133.44
Add : Exceptional Items-			
Profit on disposal of Land held for Sale (part)		305.79	-
Profit before tax		2,662.77	2,133.44
Tax expenses			
Current tax		(483.20)	(371.86)
MAT credit (utilised) / entitlement		(375.16)	(285.82)
Tax relating to earlier years		-	7.96
Deferred Tax (charge) / credit		100.54	111.06
Total tax expenses		(757.82)	(538.66)
Profit for the year		**1,904.95**	**1,594.78**
Other Comprehensive Income (OCI)			
Income / (Loss) that will not be reclassified to Statement of Profit and Loss :			
Re-measurement gains / (losses) on Defined Benefit Plans		(73.98)	9.15
Less : Income tax effect on above		21.54	(2.67)
Total Other comprehensive income / (loss) for the year		(52.44)	6.48
Total comprehensive income for the year		**1,852.51**	**1,601.26**
Earnings per share (EPS)			
Basic & Diluted (in Rupees)	30	12.70	10.63

Summary of significant accounting policies & key accounting estimates & judgements - See Note 1 & 2
The accompanying notes are an integral part of the financial statements.

MANISH M. PATEL
Managing Director

M.G. MOHAN KUMAR
Director

As per our report of even date
for **Murthy Swamy & Associates LLP**
Chartered Accountants
Firm's Regn. No.: S200065

B. RAVI HOLLA
Chief Financial Officer

VIDYA BHAT
Company Secretary

Narayana Swamy T S
Partner
Membership No.: 241535

Place : Nanjangud
Date : 24th June 2021

CORPORATE INFORMATION

The South India Paper Mills Ltd, a Public Limited Company, incorporated under the provisions of the Companies Act, 1956. The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited. The registered office of the Company is located at Chikkayanachatra, Nanjangud, Karnataka – 571302. The Company Corporate Identity Number ("CIN") is L85110KA1959PLC001352.

The Company is primarily engaged in the manufacture of Paper, Paperboards, Cartons and Power Generation.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

A.1 Basis of preparation

a) Statement of Compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on 24th June, 2021.

These financial statements have been prepared on the historical cost basis, except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The financial statements are prepared on a 'going concern' basis under accrual method, except for the cash flow information.

b) Classification of Assets and Liabilities as Current and Non-Current:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Functional and Presentation Currency:

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency and all amounts are rounded to the nearest two decimal of lakhs (₹00,000), except when otherwise indicated.

1.2 Property, plant and equipment (PPE)

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of PPE includes interest on borrowings attributable to acquisition of qualifying PPE up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost is net of input tax credit availed. The Company identifies and determines the cost of each part of an item of PPE separately, if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item. Subsequent expenditure relating to PPE is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. All other costs are recognised in the statement of profit and loss as and when incurred as repairs and maintenance.

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest (if any). Advances given towards acquisition of PPE outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation is provided on straight line method based on the following useful lives / residual values as prescribed in Part C of Schedule II of the Companies Act, 2013. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year. Extra Shift Depreciation has been charged, where applicable.

Nature of Asset	Useful Life	Residual Value
Tangible Assets :		
Buildings	30 to 60 Years	Nil to 5%
Roads	5 to 10 Years	Nil to 5%
Plant & Machinery	8 to 30 Years	Nil to 5%
Office Equipment	5 Years	Nil
Furniture & Fixtures	10 Years	Nil
Vehicles	8 Years	5%
Computers – Servers & Networks	6 Years	Nil
– End user devices	3 Years	Nil

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset *(calculated as the difference between the net disposal proceeds and the carrying amount of the asset)* is included in the income statement when the asset is derecognised.

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

1.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are amortised on a reducing balance method over the estimated useful economic life of 6 years, based on management's estimate of useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds/net realizable value and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

1.4 Impairment

(i) Financial assets -

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Non-financial assets -

Consideration is given at each balance sheet date to determine whether there is any indication of impairment to a tangible / intangible asset. If any indication exists, an asset's recoverable amount is estimated. An asset is treated as impaired when the carrying amount of asset exceeds its recoverable value. The impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

1.5 Revenue from contract with customer

The Company earns revenue from contract with customer primarily from sale of goods.

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer, it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Revenues in excess of invoicing are classified as contract assets (Unbilled Revenue). The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer.

The revenue is collected immediately upon sale of goods or as per agreed credit terms which is within 30 to 50 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Variable Consideration

Rights of return, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Finance income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in "Other income" in the statement of profit and loss.

Dividend income

Revenue is recognised when the Company's right to receive dividend is established, which is generally the shareholders' approval date.

Export Incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

1.6 Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. However, raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows :

- Raw materials, consumables & stores and fuel : Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- Finished goods and Work-in-Progress : Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

The provision for slow moving and obsolete inventory is assessed by the management and is provided as considered necessary.

1.7 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents include other short-term highly liquid investments with original maturities of three months or less. For the purpose of the Statement of cash flows, cash and cash equivalents consists of cash and short term deposits as defined above.

1.8 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.9 Foreign currencies

The financial statements are presented in Indian Rupees ('INR'), which is the functional currency of the Company.

Transactions and balances -

Foreign exchange transactions are recorded at the rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary items denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss as income or expense.

Non-monetary items are recorded at the rate prevailing on the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Premium / discount on forward exchange contracts if any are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

1.10 Retirement and other employee benefits

***(i) Short-term employee benefits* -**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current provisions in the balance sheet.

***(ii) Compensated absences* -**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability, based on actuarial valuation made by an independent actuary, at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

(iii) Post-employment benefits -

The Company operates the following post-employment benefit schemes :

- defined contribution plans such as provident fund and employee state insurance scheme ; and
- defined benefit plans such as gratuity.

Defined contribution plans :

The Company makes specified monthly contribution towards employee provident fund, superannuation fund and employees state insurance schemes to Government administered schemes which are the defined contribution schemes. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans :

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service cost.

1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/ fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.13 Leases

Company as a Lessee -

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

(i) the contract involves the use of an identified asset,

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Wherever the lease period is less than 12 months, lease payments are recognised as an expense on a straight-line basis over the lease term.

Company as a Lessor -

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.14 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferredtax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax -

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax -

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

In the situations where the Company is entitled to a tax holiday, nodeferred tax (asset or liability) is recognised inrespect of timing differences which reverse duringthe tax holiday period, to the extent the Company'sgross total income is subject to the deductionduring the tax holiday period. Deferred tax inrespect of timing differences which reverse afterthe tax holiday period is recognised in the year inwhich the timing differences originate. However,the Company restricts recognition of deferred taxassets to the extent that it has become reasonablycertain, that sufficient future taxable income will beavailable against which such deferred tax assetscan be realised. For recognition of deferred taxes,the timing differences which originate first areconsidered to reverse first.

(iii) Minimum alternate tax (MAT)-

In accordance with the provisions of Section 115JAA of the Income Tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternative Tax ('MAT') over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for and set-off for fifteen succeeding years for the year in which such credit becomes available. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income Tax Act, 1961 and such tax is in excess of MAT for that year. The MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.15 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contract that gives rise to financial assets and financial liabilities.

Financial Assets

Initial recognition and measurement

All 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.

Subsequent measurement

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets 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.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in Other Comprehensive Income (OCI).

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in statement of profit and loss.

Trade Receivables

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to the lifetime Expected Credit Losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Company applies simplified approach of Ind AS 109 “Financial Instruments” for determining lifetime Expected Credit Losses.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables and borrowings.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Loans and Borrowings

Financial liabilities are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged orcancelled or expires. When an existing financial liability is replaced by another from the samelender on substantially different terms, or the termsof an existing liability are substantially modified,such an exchange or modification is treated as the derecognition of the original liability and therecognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.16 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.17 Provisions, contingent liabilities and contingent assets

(i) Provisions -

Provision are recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and aredetermined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(ii) Contingent liabilities -

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Show cause notices issued by various Government authorities are not considered as contingent liabilities. However, when the demands are raised against such show cause notices after considering the Company's views, these demands are either paid or treated as liabilities, if accepted by the company, and are treated as contingent liability, if disputed by the Company.

The Company does not recognise a contingent liability but discloses in the financial statements.

(iii) Contingent assets -

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

1.18 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

1.19 Cash dividend to equity shareholders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.20 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. Grants relating to assets, including non-monetary grants are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

1.21 Recent Accounting Pronouncements

(i) Ministry of Corporate Affairs has notified amendments to the existing Ind AS to be effective from 1 April, 2021 on 18 June, 2021. Key amendments to existing Ind AS are:

Ind AS 116 - Leases

Extension of time period for practical expedient in Ind AS 116 for accounting of rent concession due to COVID-19.

Ind AS 109 - Financial Instruments, Ind AS 107 - Financial Instruments: Disclosures,

Practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform and additional disclosure to be made on account of interest rate benchmark reform.

Ind AS 102 - Share Based payment

Definition of Equity Instrument in reference to the Conceptual framework of Financial Reporting

Ind AS 103 - Business Combination

Amendment to definition of assets and liabilities in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

Ind AS 16 – Property, Plant & Equipment

Substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

(ii) The Ministry of Corporate Affairs ("MCA") issued notifications dated 24th March, 2021to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April 2021.

The above amendments are extensive, and the company will evaluate the same to give effect to them as required by law.

NOTE 2 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses for the year. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty as at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

(i) Defined benefit plans (gratuity benefits) -

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation 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.

(ii) Useful life of property, plant and equipment and intangible assets :

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During the current year, the estimated useful lives in respect of certain plant and machineries has been reduced from 40 years to 30 years based on the managements estimate of remaining useful life.

(iii) Estimation of current tax expense and payable :

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company has not early adopted any standards or amendments that have been issued but are not yet effective/ notified. Amendments and interpretations applying for the first time during the year do not have an impact on the financial statements of the Company.

₹ in Lakhs

NOTE 3

PROPERTY, PLANT AND EQUIPMENT / CAPITAL WORK-IN-PROGRESS / OTHER INTANGIBLE ASSETS

	Gross Block					Accumulated Depreciation					Net Block	
Description	**As on 01.04.2020**	**Additions during the year**	**Deletions during the year**	**Transfer #**	**As on 31.03.2021**	**As on 01.04.2020**	**Depn for the year**	**Depreciation on Deletion**	**Transfer #**	**As on 31.03.2021**	**As on 31.03.2021**	**As on 31.03.2020**
(i) TANGIBLE ASSETS												
Land	309.19	74.82	-	-	384.01	-	-	-		-	384.01	309.19
Building	3,085.39	188.75	-	-	3,274.14	1,030.27	137.84	-		1,168.11	2,106.03	2,055.12
Plant and Machinery	19,557.29	95.20	200.00	-	19,452.49	9,217.72	853.78	-		10,071.50	9,380.99	10,339.57
Office Equipments	49.74	3.59	-	-	53.33	48.75	0.41	-		49.16	4.17	0.99
Furniture and Fixtures	113.90	33.82	-	-	147.72	88.12	5.91	-		94.03	53.69	25.78
Vehicles	214.79	-	-	-	214.79	140.37	13.61	-		153.98	60.81	74.42
Computers	115.37	10.20	-	-	125.57	113.00	2.21	-		115.21	10.36	2.37
Total	**23,445.67**	**406.38**	**200.00**	**-**	**23,652.05**	**10,638.23**	**1,013.76**	**-**	**-**	**11,651.99**	**12,000.06**	**12,807.44**
Previous Year	**22,907.53**	**575.12**	**14.59**	**22.39**	**23,445.67**	**9,677.85**	**975.47**	**13.85**	**1.24**	**10,638.23**	**12,807.44**	**13,229.68**
Transfer #: Regrouped as Assets held for Sale												
(ii) INTANGIBLE ASSETS												
Computer Softwares	45.27	-	-	-	45.27	44.64	0.62	-	-	45.26	0.01	0.63
Total	**45.27**	**-**	**-**	**-**	**45.27**	**44.64**	**0.62**	**-**	**-**	**45.26**	**0.01**	**0.63**
Previous Year	**45.27**	**-**	**-**	**-**	**45.27**	**43.45**	**1.19**	**-**	**-**	**44.64**	**0.63**	**1.82**
(iii) CAPITAL WORK IN PROGRESS												
At Cost	-	-	-	-	-	-	-	-	-	-	10,606.32	1,497.16
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,606.32**	**1,497.16**
Total	**23,490.94**	**406.38**	**200.00**	**-**	**23,697.32**	**10,682.87**	**1,014.38**	**-**	**-**	**11,697.25**	**22,606.39**	**14,305.23**
Previous Year	**22,952.80**	**575.12**	**14.59**	**22.39**	**23,490.94**	**9,721.30**	**976.66**	**13.85**	**1.24**	**10,682.87**	**14,305.23**	**14,013.51**

Notes to financial statements for the year ended March 31, 2021

Particulars	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
NON CURRENT ASSETS		
Note 3 : Property, plant and equipment, Capital work-in-progress and Other Intangible assets		
Property, plant & equipment	12,000.06	12,807.44
Capital Work-in-progress	10,606.32	1,497.16
Other Intangible assets	0.01	0.63
	22,606.39	**14,305.23**
Note 4 : Non Current - Other Assets		
Unsecured, considered good		
Capital advances	1,931.71	3,110.03
Security deposits	40.68	40.94
Prepaid expenses	4.28	3.20
	1,976.67	**3,154.17**
CURRENT ASSETS		
Note 5: Inventories *(Valued at lower of cost or net relisable value)*		
Raw materials	1,551.48	1,600.46
Raw materials - in transit	85.98	191.89
Adhesives, inks, consumables & stores	759.95	875.05
Fuel	339.20	230.91
Work-in-progress	41.88	46.13
Finished goods	161.38	278.85
	2,939.87	**3,223.29**
Note 6: Trade receivables		
Considered good *(secured)*	4,638.82	2,952.92
Credit impaired	15.68	-
	4,654.50	2,952.92
Less : Allowance for credit losses	(15.68)	-
	4,638.82	**2,952.92**

No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 7: Cash and cash equivalents		
Cash on hand	2.89	3.08
Balances with banks :	-	-
in Current accounts	21.45	36.40
	24.34	**39.48**
Note 8: Other bank balances		
Unpaid dividend account	43.83	46.05
In deposit account - Under lien for Letter of Credit & Bank Guarantee	872.86	1,257.11
	916.69	**1,303.16**

Notes to financial statements for the year ended March 31, 2021

Particulars	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
Note 9: Other Financial Assets		
Loans to employees *(Unsecured, considered good)*	26.05	25.50
Interest receivable	0.77	0.76
	26.82	**26.26**
Note 10: Current Asset - Others		
Advance to suppliers & services	33.19	132.69
Current Tax Asset - Tax refund receivable	48.16	48.14
Prepaid expenses	63.21	64.76
Gratuity asset account	-	28.06
Other receivables	0.32	-
Balance with statutory/ government authorities	576.85	35.42
	721.73	**309.07**
NOTE 11 : SHARE CAPITAL		
Authorised share capital		
Equity share capital of Rs. 10 each with voting rights		
2,00,00,000 (PY : 2,00,00,000) equity shares	2,000.00	2,000.00
Issued equity capital		
Equity share of Rs. 10 each issued, subscribed and fully paid		
1,50,00,000 (PY : 1,50,00,000) equity shares	1,500.00	1,500.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares with voting rights	March 31, 2021		March 31, 2020	
	Number of shares	Amount ₹in Lakhs	Number of shares	Amount ₹in Lakhs
Equity shares				
At the commencement of the year	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Add : Shares issued during the year	-	-	-	-
At the end of the year	**1,50,00,000**	**1,500.00**	**1,50,00,000**	**1,500.00**

(b) Details of shares held by each shareholder holding more than 5% shares in the Company:

Class of shares / Name of shareholder	March 31, 2021		March 31, 2020	
Equity shares with voting rights	**Number of shares**	**%'age**	**Number of shares**	**%'age**
Mr. Anil Kumar Goel	9,00,000	6.00%	9,00,000	6.00%

Notes to financial statements for the year ended March 31, 2021

(c) Right, preferences and restrictions attached to shares

The Company has issued only one class of equity share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE 12 : OTHER EQUITY

	₹in Lakhs	₹in Lakhs	₹in Lakhs	₹in Lakhs
	Reserves & Surplus		Other Comprehensive Income	
	General Reserves	Retained earnings	Re-measurement of the net Defined Benefit Plans	Total
Balance as at 1st April, 2019	834.60	13,210.73	58.48	14,103.81
Profit for the year	-	1,594.78	-	1,594.78
Other comprehensive income / (loss)	-	-	6.49	6.49
Dividend including Dividend Distribution Tax	-	(271.25)	-	(271.25)
Balance as at March 31, 2020	**834.60**	**14,534.26**	**64.97**	**15,433.83**
Balance as at April 1, 2020	834.60	14,534.26	64.97	15,433.83
Profit for the year	-	1,904.95	-	1,904.95
Other comprehensive income / (loss)	-	-	(52.44)	(52.44)
Dividend	-	(225.00)	-	(225.00)
Balance as at March 31, 2021	**834.60**	**16,214.21**	**12.53**	**17,061.34**

Notes to financial statements for the year ended March 31, 2021

Particulars	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
NON CURRENT LIABILITIES		
NOTE 13 : NON CURRENT - FINANCIAL LIABILITIES - BORROWINGS		
Secured Borrowings		
Term Loans-From Banks		
Term Loan from Bank of Baroda (SL 124)	568.62	-
Less : Instalments due during the next 12 months	(117.64)	(117.65)
	450.98	(117.65)
Term Loan from Bank of Baroda (SL 88)	375.00	466.67
Less : Instalments due during the next 12 months	(100.00)	(100.00)
	275.00	366.67
Term Loan from Bank of Baroda (SL 131)	470.92	588.77
Less : Instalments due during the next 12 months	(94.12)	(78.97)
	376.80	509.80
Term Loan from Bank of Baroda (SL 117/1)	1,179.17	1,429.17
Less : Instalments due during the next 12 months	(250.00)	(250.00)
Less : Unamortised value of upfront fee (Ind AS 109)	(5.09)	-
	924.08	1,179.17
Term Loan from Bank of Baroda (SL 117/2) *	4,466.01	-
Less : Instalments due during the next 12 months	-	-
Less : Unamortised value of upfront fee (Ind AS 109)	(61.10)	-
	4,404.91	-
Total	**6,431.77**	**2,614.46**

** includes facilities ultimately settled through Term Loan.*

Security for Term Loans :

Term Loans are secured by first charge by hypothecation of entire plant and machinery and by way of deposit of title deeds of land measuring 11.36 acres & 21.25 1/2 acres at Thandavapura & Chikkayyanna Chatra, Nanjangud Taluk in Mysore District and building situated thereon.

Terms of Borrowal & Repayment of Term Loans :	BOB SL 124	BOB SL 88
Date of Borrowal - first drawal	12 Feb 2016	20 Dec 2014
Date of Maturity	12 Jan 2026	20 Dec 2024
Monthly Installment Amount	₹9,80,400/-	₹8,33,334/-
No. of Installments due after Balance Sheet Date	58 installments w.e.f. 12/08/2017	45 installments w.e.f. 20/01/2015
	BOB SL 131	**BOB TL 171/1 (IDBI Bk TL taken over)**
Date of Borrowal - first drawal	04 Oct 2016	25 Nov 2016
Date of Maturity	31 Aug 2026	31 Dec 2025
Monthly Installment Amount	₹7,84,314/-	₹20,83,333/-
No. of Installments due after Balance Sheet Date	65 installments w.e.f. 04/04/2018	57 installments w.e.f. 01/04/2018

Notes to financial statements for the year ended March 31, 2021

Particulars	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
NOTE 14 : NON CURRENT - OTHER FINANCIAL LIABILITIES		
Deposits		
Deposits from Agents	164.24	168.24
	164.24	**168.24**
NOTE 15 : NON CURRENT LIABILITIES - PROVISIONS		
Provision for employee benefits		
Provision for compensated absences	42.28	39.61
Provision for gratuity	39.85	-
	82.13	**39.61**
NOTE 16 : DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities on -		
Impact of difference between Book Depreciation and Tax Depreciation	2,021.04	2,101.93
Deferred tax assets on -		
Expenses / Provisions disallowed for Tax purposes	(82.59)	(62.93)
	1,938.45	**2,039.00**
Less : MAT credit entitlement	-	(375.16)
	1,938.45	**1,663.84**
CURRENT LIABILITIES		
NOTE 17 : CURRENT - FINANCIAL LIABILITIES - BORROWINGS		
A) Secured Borrowings		
Loans repayable on Demand - from Banks :		
Working Capital Loan from Bank of Baroda	2,797.15	1,058.95
(Secured by first charge on current assets (mainly inventories & book debts) and pari-passu second charge on fixed assets)		
B) Unsecured Borrowings -		
Inter Corporate Borrowings	251.73	-
	3,048.88	**1,058.95**

Notes to financial statements for the year ended March 31, 2021

Particulars	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
NOTE 18: CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises*	2.44	2.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,566.89	1,339.69
	1,569.33	**1,341.69**

*** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 :**

The Company has disclosed the amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2021 and 31st March, 2020 based on the information received and available with the Company.The Company has not received any claim for interest from any supplier as at the Balance Sheet date. In the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act is not expected to be material.

NOTE 19 : CURRENT - OTHER FINANCIAL LIABILITIES		
Current maturities of long term debt	561.77	546.62
Liability for capital goods and capital expenses	405.19	131.37
Interest accrued but not Due on trade deposits	11.39	11.40
Unclaimed dividends	43.83	46.05
	1,022.18	**735.44**
NOTE 20 : CURRENT LIABILITIES - OTHERS		
Advance towards asset held for sale	283.03	198.30
Advance from customers	9.34	3.11
Other Payables -		
Goods & Service tax payable	8.55	44.31
Tax Deducted at Source/ Tax Collected at Source	21.45	18.23
Electricity tax payable	6.34	4.92
	-	-
Other expenses payable / provisions	292.79	196.07
	621.50	**464.94**
NOTE 21 : CURRENT LIABILITIES - PROVISIONS		
Provision for employee benefits -		
Provision for bonus	127.36	142.27
Provision for salary, wages and other benefits	172.58	116.53
Provision for contribution to PF / ESI etc.,	17.19	18.35
Provision for other employee benefits	18.36	19.09
Provision for gratuity	17.37	-
Provision for Corporate Social Responsibility unspent amount	20.63	-
	373.49	**296.24**
NOTE 22:CURRENT TAX LIABILITIES (NET)		
Provision for Income Tax *(net of Advance tax , TDS & TCS)*	48.00	17.50
	48.00	**17.50**

Notes to financial statements for the year ended March 31, 2021

Particulars	2020-21 ₹ in Lakhs	2019-20 ₹ in Lakhs
NOTE 23 : REVENUE FROM OPERATIONS		
A. Gross Sales -		
Sale of Products	21,751.89	21,222.20
Sale of Power	839.08	437.75
	22,590.97	**21,659.95**
B. Other Operating Revenues	87.30	101.13
	22,678.27	**21,761.08**
NOTE 24 : OTHER INCOME		
Interest Income	42.64	75.70
Exchange rate difference on exports	0.39	6.45
Profit on sale of Property, Plant & Equipment	-	0.70
	43.03	**82.85**
NOTE 25 : COST OF MATERIAL CONSUMED		
Raw materials Consumption:		
Waste Paper / Kraft Paper	8,690.76	7,913.68
Others *(each less than 10%)*	1,210.96	1,471.44
	9,901.72	**9,385.12**
NOTE 26: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories at the beginning of the year		
Finished Goods	278.85	237.55
Work-in-Progress	46.13	32.48
	324.98	**270.03**
Inventories at the end of the year		
Finished Goods	161.38	278.85
Work-in Progress	41.88	46.13
	203.26	**324.98**
(Increase) / Decrease in Inventories **Total**	**121.72**	**(54.95)**
NOTE 27 : EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages -		
Salaries & Bonus to Staff	824.08	760.96
Wages & Bonus to Workers	1,399.27	1,311.86
Director Remuneration, Commission & benefits	125.12	113.38

Notes to financial statements for the year ended March 31, 2021

Particulars	2020-21 ₹ in Lakhs	2019-20 ₹ in Lakhs
Contribution to Provident and Other Funds -		
Provident Fund	87.02	90.38
Superannuation Fund	1.67	0.84
Gratuity	62.13	47.05
Staff Welfare Expenses -		
Payment to employee state insurance scheme	5.20	5.92
Payment to other employee insurance scheme	19.99	29.03
Canteen expenses	75.62	74.44
Medical benefits	22.30	17.40
Transportation / conveyance to staff	31.53	24.92
Other welfare expenses	26.30	23.15
	2,680.23	**2,499.33**
NOTE 28 : FINANCE COSTS		
Interest Expense on -		
Bank loans	420.67	363.50
Trade deposits	13.25	13.54
Other borrowing costs	11.91	34.42
	445.83	**411.46**
NOTE 29 : OTHER EXPENSES		
A. Manufacturing Expenses -		
Fuel Consumed	3,231.46	3,360.27
Adhesives, Inks, Consumables & Stores Consumed	467.02	540.55
Power & Water	168.59	139.12
Repairs & Maintenance :		
- Plant & Machinery	972.22	1,048.40
- Building, Road	15.92	24.35
Exchange Fluctuation on raw material imports	(35.66)	3.92
TOTAL A	**4,819.55**	**5,116.61**
Administrative & Selling Expenses -		
Commission on sales	235.81	250.41
Packing & forwarding charges	205.67	199.73
Professional Charges	29.69	24.91
Rates and taxes	18.37	17.66
Postage & telephone	4.19	5.57
Printing and stationery	6.49	8.03
Directors commission - Non-whole time	25.00	22.60
Directors' sitting fees	4.60	4.90
Exchange fluctuation rate difference	-	0.28
Insurance	68.25	50.59
Vehicle repairs & maintenance	12.31	12.50

Notes to financial statements for the year ended March 31, 2021

Particulars		2020-21 ₹ in Lakhs	2019-20 ₹ in Lakhs
Travelling and conveyance		5.26	28.43
Auditors' Remuneration :			
- for audit		6.00	4.00
- for other services		0.60	0.60
- for Out-of-Pocket Expenses		0.57	0.30
Security charges		104.25	107.69
Outward freight		387.91	355.96
Export expenses		9.63	37.26
Rebates and Claims		121.19	121.59
Bank charges		10.90	17.53
Internal audit fees & expenses		1.22	1.05
Corporate social responsibility expenses		29.20	16.67
Bad debts written off		14.04	6.96
Allowance for credit losses		15.68	-
Miscellaneous expenses		64.06	81.04
	Total B	**1,380.89**	**1,376.26**
	Total A + B	**6,200.44**	**6,492.87**

NOTE 30 : EARNINGS PER SHARE (EPS)

Nominal value of Equity Shares (in Rupees)	10.00	10.00
Profit for the year after tax	1,904.95	1,594.78
No. of Shares outstanding	1,50,00,000	1,50,00,000
Basic and diluted earing per Share (in Rupees)	12.70	10.63

There are no dilutive equity shares in the Company.

NOTE 31 : CONTINGENT LIABILITIES & COMMITMENTS

Particulars		₹ in Lakhs March 31, 2021	₹ in Lakhs March 31, 2020
A. CONTINGENT LIABILITIES			
1. a. Demands under the Central Excise Act :			
Excise duty and penalty on removal of Capital goods	Duty	8.15	8.15
(stay granted by CESTAT, Bangalore)	Penalty	0.50	0.50

2. There has been a Supreme Court judgement dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to Provident Fund under the EPF Act. There are interpretative aspects related to the judgement including the effective date of application. The company will continue to assess any further developments in this matter for the implication on financial statements if any.

B. COMMITMENTS

	Particulars	₹ in Lakhs March 31, 2021	₹ in Lakhs March 31, 2020
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for including Letter of credit opened for Capex ₹4,060.31 lakhs (PY : ₹5,498.75 lakhs)	7,240.72	11,811.43
2.	Letters of credit issued by Bank on behalf of the Company (net of liability on goods received, which has been shown under Sundry creditors and Capex LCs)	17.82	16.55

NOTE 32 : LEASES

The Company is obligated under non-cancellable operating short term leases mainly for temporary accommodation purpose, which is recognised as an expense on a straight line basis over the lease term. The total rental expenses under non-cancellable operating leases amount to Rs. 5.08 lakhs for the year ended 31st March, 2021 (year ended 31st March, 2020 : Rs. 2.71 lakhs)

₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Not later than 1 year	8.83	5.56
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

Note 33 : RELATED PARTY DISCLOSURES

Names of related parties and related party relationship :

A. Key Managerial Personnel (KMP) / relative of KMP

Mr. Manish M Patel	KMP	Managing Director
Mrs. Vandhana M Patel	Relative of KMP	Wife of Managing Director
Mr. B. Ravi Holla	KMP	Chief Financial Officer
Mrs. Vidya Bhat	KMP	Company Secretary

B. Non-Executive Directors:

1. Mr. Dineshchandra C. Patel
2. Mr M G Mohan Kumar
3. Mr S R Chandrasekara Setty
4. Mr Jagdishbhai M Patel
5. Mr Ajay D Patel
6. Mr N S Kishore Kumar
7. Mr Jitendra A Patel
8. Mrs Girija Shankar

C. Companies in which KMP (MD) is a Director

1. Laxmi Board & Paper Mills Pvt Ltd — Director & shareholder
2. Indo Afrique Paper Mills Pvt Ltd — Director & shareholder

DETAILS OF RELATED PARTY TRANSACTIONS

Particulars	₹ in Lakhs March 31, 2021	₹ in Lakhs March 31, 2020
1) Remuneration to KMP & relative of KMP*		
Employee Benefits	170.60	140.10
2) Sitting fees and commission to Non Executive Directors		
a) Sitting fees	4.60	4.90
b) Non Executive Directors	25.00	22.60
3) Closing Balances in current account		
Mr. Manish M Patel - Current Account (Cr.)	10.98	12.13
Mr. Manish M Patel - Commission payable (Provision)	22.75	9.80
Non Executive Directors - Commission payable (Provision)	23.00	20.34
Non Executive Directors - sitting fees payable	0.93	-

*This excludes provision for Gratuity & Leave encashment, where the actuarial valuation is done on overall Company basis

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2020 : Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 34 : EMPLOYEE BENEFITS

A. Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plan ("the Scheme") for Qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to the plan by the Company is at rates specified in the rules of the Scheme. Amount contributed to the Scheme is shown in Note 27.

B. Defined Benefit Plans

The Company offers Gratuity benefit to its employees. The Company has set up a Trust for gratuity and the plan assets are invested with Life Insurance Corporation of India and in approved Bank Deposits.

As per IND AS-19, disclosures in respect of Grautiy Scheme, based on Actuarial valuation are as follows:

		₹ in Lakhs March 31, 2021	₹ in Lakhs March 31, 2020
1.	**Expense recognised in Statement of Profit & Loss**		
a.	Current service cost	68.74	53.31
b.	Interest on Defined Benefit Obligation	70.99	63.78
c.	Expected return on plan assets	(77.60)	(70.04)
		62.13	**47.05**
2.	**Net (Assets) / Liablities recognised in Balance Sheet**		
a.	Present value of Defined Benefit obligations	1,184.27	1,023.07
b.	Fair value of Plan assets	1,166.90	1,090.98
	Difference representing Net (Assets) / Liabilities (current liability)	17.37	(67.91)
	Less : Amount not recognised as an asset by the actuary	39.85	39.85
	Net (Assets) / Liablities recognised in Balance Sheet	**57.22**	**(28.06)**
3.	**Change in Grautuity Obligation during the year**		
a.	Present value of Defined Benefit obligations at the beginning of the year	1,023.07	939.26
b.	Current service cost	68.74	53.31
c.	Interest on Defined Benefit Obligation	70.99	63.78
d.	Acturial (gain) / loss	62.30	(8.85)
e.	Benefits paid	(40.83)	(24.43)
f.	Present value of Defined Benefit obligations at the end of the year	**1,184.27**	**1,023.07**
4.	**Change in fair value of plan assets during the year**		
a.	Fair value of plan assets as on at the beginning of the year	1,090.98	1,015.43
b.	Expected return on plan assets	77.60	70.04
c.	Actual Company contribution	10.00	5.20
d.	Acturial gain / (loss)	(11.68)	0.31
e.	Benefits paid from plan assets	-	-
f.	Fair value of plan assets at the end of the year	**1,166.90**	**1,090.98**
Acturial Assumptions :			
a.	Discount rate	7.08%	6.88%
b.	Expected rate of return on Plan assets	7.08%	6.88%
c.	Salary escalation rate	12.50%	11.75%
d.	Attrition rate	3.00%	3.00%

Note 35 : Fair value hierarchy

The carrying value of financial instruments by caterogies is as follows :

₹ in Lakhs

Particulars	31st March 2021	31st March 2020
Financial assets measured at amortised cost :		
Trade receivables *	4,638.82	2,952.92
Other financial assets *	26.82	26.26
	4,665.64	**2,979.18**
Cash and cash equivalents and other bank balances :		
Cash and cash equivalents **	24.34	39.48
Other bank balances **	872.86	1,257.11
	897.20	**1,296.59**
Financial liabilities measured at amortised cost :		
Borrowings *	10,042.42	4,220.03
Trade payables *	1,569.33	1,341.69
Other financial liabilities *	624.65	357.06
	12,236.40	**5,918.78**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

** These accounts are considered to be highly liquid/ liquid and the carrying amount of these are considered to be the same as their fair value.

Note 36 : SEGMENTWISE REVENUE, RESULTS, CAPITAL EMPLOYED

		₹ in Lakhs March 31, 2021	₹ in Lakhs March 31, 2020
1.	**Segment Revenue**		
	i Paper & Paper Products	21,839.19	21,323.33
	ii Power	3,078.07	2,775.45
		24,917.26	**24,098.78**
	Less : Inter Segment Revenue	2,238.99	2,337.70
	Net Revenue from Operations	**22,678.27**	**21,761.08**
2.	**Segment Results**		
	i Paper & Paper Products	1,910.16	1,967.88
	ii Power	892.65	577.02
	Add : Exceptional items (net)	305.79	-
		3,108.60	**2,544.90**
	Less : Finance costs	445.83	411.46
	Less : Unallocable expenses (net of income)	-	-
	Total Profit before Tax	**2,662.77**	**2,133.44**
3.	**Segment Assets**		
	i Paper & Paper Products	28,963.32	20,406.48
	ii Power	4,897.99	4,928.26
	Total Segment Assets	**33,861.31**	**25,334.74**
4.	**Segment Liabilities**		
	i Paper & Paper Products	13,518.25	6,138.78
	ii Power	1,781.72	2,262.13
	Total Segment Liabilities	**15,299.97**	**8,400.91**

NOTE 37 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprises mainly of term loan borrowings, trade payables and other payables. The Company's financial assets comprises mainly of cash and cash equivalents, other balances with banks, trade receivables and other receivables.

Risk management policies and systems of the Company are reviewed regularly by the Board of Directors to reflect changes in market conditions and the company's activities. The Company has financial risk exposure in the form of

A. Market Risk,

B. Credit Risk, and

C. Liquidity Risk.

The present disclosure made by the Company summarises the exposure to these financial risks.

A. Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types i.e., Foreign Currency Exchange Rate Risk, Interest Rate Risk and Other Price Related Risks.

(i) Foreign Currency Exchange Rate Risk:

The Company imports pulp, waste paper and other stores & spares for which payables are denominated in foreign currency. The Company is exposed to foreign currency risk on these transactions. The Company evaluates the impact of foreign exchange rate fluctuations by closely monitoring exchange rate movements and where necessary occasionally enters into simple forward exchange contracts to hedge the foreign currency risk whose maturity is coterminous with the maturity period of the foreign currency liabilities. Thus, the Company is generally not exposed to any significant foreign currency risk.

(ii) Interest Rate Risk:

The Company's exposure to the risk of changes in market interest rates relates to bank borrowings comprising of term loans and working capital loans.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2021	**March 31, 2020**
Variable Rate Borrowings		
Term Loans	6,993.54	3,161.08
Working capital loans	2,797.15	1,058.95
Total	**9,790.69**	**4,220.03**
Fixed Rate Borrowings	----	----
Closing average rate of interest per annum	9.75%	10.00%

Interest Rate Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on Variable Rate Borrowings at the end of the reporting period. Impact on Profit before tax, using a 25 basis point +/- fluctuation in the interest rate would be as under:

	March 31, 2021	**March 31, 2020**
Interest rate increase by 0.25%	-24.48	-10.55
Interest rate decrease by 0.25%	+24.48	+10.55

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instruments will fluctuate due to changes in market traded prices.

Commodity price risk:

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations.

Others:

Company does not have any equity or other investments which are subjected to price related risks.

B. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

(i) Trade Receivables

Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable and thus set the individual risk limits are. The company does not hold any collateral on the unsecured trade receivables balance outstanding. The company has stop supply mechanism in place in case outstanding goes beyond agreed limits.

The Company also sells its products through appointed agents. The Company has established a credit policy under which every agent is analysed individually for creditworthiness. Each agent places security deposit based on the quotas allocated to him. Though the invoices are raised on the individual customer, the agent is responsible for the collection and in case of default by such customer, the dues from the customer are withheld / adjusted against the payables to the agent. Thus, the credit risk is mitigated.

(ii) Financial instruments and cash deposits

The Company's investment in fixed deposit with banks is fixed and hence, there is no risk on account of price movement arising to the Company. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

C. Liquidity Risk:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company manages the liquidity risk by projecting cash flows considering the level of liquid assets necessary to meet the obligations by matching the maturity profiles of financial assets and financial liabilities. The liquidity risk management involves matching the maturity profiles of financial assets and financial liabilities.

NOTE 38 : CAPITAL MANAGEMENT

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital and all other equity reserves attributable to equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using Gearing Ratio, which is as under:

₹ in Lakhs

	March 31, 2021	**March 31, 2020**
A. Borrowings (Term Loan)	6,993.54	3,161.08
B. Less : Cash & Bank Balances	897.20	1,296.59
C. Net Debt [A (-) B]	6,096.34	1,864.49
D. Equity	18,561.34	16,933.83
E. Total Capital [C (+) D]	24,657.68	18,798.32
F. Gearing Ratio [C (÷) E]	0.25	0.10

NOTE 39 : EXCHANGE DIFFERENCES

The Company has recognized an aggregate gain on exchange differences of Rs. 36.05 lakhs

(P.Y. gain of Rs. 2.25 lakhs) in the Statement of Profit & Loss..

NOTE 40 : MSME DUES

The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2021 and 31st March, 2020. The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 regarding Micro and Small enterprises is determined to the extent such parties have been identified on the basis of the information available with the company. The Company has not received any claim for interest from any supplier as at the Balance Sheet date. The details in respect of such dues are as follows :

Particulars	₹in lakhs 31.03.2021	₹in lakhs 31.03.2020
The principal amount and the interst due thereon remaining unpaid to any supplier as at the end of accounting period	2.44	2.00
The amount of interst paid by the Company along with the amount of the payments made to the supplier beyond the appointed day during the period	Nil	Nil
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 this Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period	Nil	Nil
The amount of further interest reamaining due and payable even in the succeeding years, until such date when the interest dues as above are acutally paid to the small enterprise	Nil	Nil

Note 41 :

Management has assessed the impact of the pandemic COVID-19 on the Company's business operation and the overall economic environment based on the available relevant internal and external sources of information and its impact on the financial position of the Company including the carrying amount of financial and non financial assets based on which the Company expects that the carrying amount of these assets will be recovered. The management has exercised due care in concluding on significant judgements and estimates, but given the uncertainties associated with the nature and duration of the pandemic, the impact may be different from those estimated. The Company will continue to monitor any changes to the future economic environment emerging out of the pandemic and will recognise the impact, if any, prospectively in future periods.

The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

NOTE 42 : EVENTS AFTER REPORTING PERIOD

The Board of Directors recommended a final dividend of Re. 1 per equity share subject to TDS for the financial year ended 31st March 2021. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The final dividend declared in the previous year was Rs. 1.50 per equity share, subject to TDS.

NOTE 43 : PREVIOUS YEAR FIGURES

Previous year figures are regrouped; wherever necessary to conform to that of current year.

NOTE 44: DISCLOSURES IN ACCORDANCE WITH GUIDANCE NOTE ON ACCOUNTING FOR EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

₹ in lakhs

	Particulars	**31-Mar-21**	**31-Mar-20**
a)	Gross amount required to be spent by the Company during the year	29.20	27.75
b)	**Amount spent during the year ended March 31, 2021:**	**Paid**	**Paid**
(i)	Improvement in Health Care & Education	0.71	9.50
(ii)	Rural Development Work & facilities for welfare of villagers	3.36	4.80
(iii)	Disaster Management including Relief, Rehabilitation & Reconstruction - Covid 19 Relief to the needy by distribution of grocery kits thro' Taluk Administration	4.20	2.27
(iv)	Donation to PM Relief Fund	-	0.10
(v)	Eradicating hunger	0.30	-
	Total amount spent	**8.57**	**16.67**

Unspent CSR amount of Rs 20.63 lakhs, will be transferred to funds specified under schedule VII as per the amended provisions of the Companies Act, 2013.

As per our report of even date

Manish M. Patel
Managing Director

M.G. Mohan Kumar
Director

for Murthy Swamy & ASSOCIATES LLP
Chartered Accountants
Firm Regn. No. S200065

B. Ravi Holla
Chief Financial Officer

Vidya Bhat
Company Secretary

Narayana Swamy T.S.
Partner
Membership No. 241535

Place : Nanjangud
Date : 24th June 2021

THE SOUTH INDIA PAPER MILLS LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

	Year ended 31st March, 2021 ₹ in lakhs		Year ended 31st March, 2020 ₹ in lakhs	
A) Cash Flow from Operating Activities				
Profit before tax		2,662.77		2,133.44
Adjustments for :				
Add : Depreciation & amortisation expense	1,014.38	-	976.66	-
Add : Finance costs	445.83	-	411.46	-
Less : Interest Income	(42.64)	-	(75.70)	-
Less : Profit on disposal of Land held for Sale (part)	(305.79)	-	(0.70)	-
Add : Bad debts written off	14.04	-	6.96	-
Add : Allowance for credit losses	15.68	-	-	-
Less : Unrealised foreign exchange loss /(gain)	(3.32)	1,138.18	10.62	1,329.30
Operating Profit before Working Capital Changes		**3,800.95**		**3,462.74**
(Increase) / Decrease in Inventories	283.42		416.91	
(Increase) / Decrease in Trade Receivables	(1,715.62)		1,010.93	
(Increase) / Decrease in Other Financial Assets	1.68		(6.83)	
(Increase) / Decrease in Other Assets	(413.48)		142.94	
Increase / (Decrease) in Trade Payables	223.21		(845.34)	
Increase / (Decrease) in Other Financial Liabilities	267.59		93.32	
Increase / (Decrease) in Other Liabilities	71.83		19.69	
Increase / (Decrease) in Provisions	45.78	(1,235.59)	17.38	849.00
Cash generated from operating activities		**2,565.36**		**4,311.74**
Less: Income Tax paid		(373.07)		(357.03)
Net cash generated from / (used in) Operating Activities (A)		**2,192.29**		**3,954.71**
B) Cash Flow from Investing Activities				
Purchase of Property, plant & equipment (including Capital advances)		(8,285.96)		(3,399.85)
Proceeds from Government grants - Subsidy for PPE		200.00		-
Proceeds from sale of Plant & equipment		-		1.43
Land - Sale Proceeds / Advance received		401.70		198.30
Income Tax paid		(58.09)		-
Interest received		42.62		74.94
Net cash generated from / (used in) investing activities (B)		**(7,699.73)**		**(3,125.18)**
C) Cash Flow from Financing Activities				
Proceeds (net) from current borrowings		1,989.93		1,044.15
Proceeds from non-current borrowings		4,444.11		-
Repayment of non-current borrowings		(569.80)		(602.59)
Finance costs paid		(531.18)		(433.50)
Equity Dividend paid		(227.22)		(225.00)
Dividend Distribution Tax paid		-		(46.25)
Net Cash (used in) / generated from Financing Activities (C)		**5,105.84**		**(263.19)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**(401.60)**		**566.35**
Cash and cash equivalents as at the beginning of the year		**1,342.63**		**776.28**
Cash and cash equivalents as at the end of the year		**941.03**		**1,342.63**

To be read with our report of even date.
for Murthy Swamy & ASSOCIATES LLP
Chartered Accountants
Firm Regn. No. S200065

Manish M. Patel
Managing Director

M.G. Mohan Kumar
Director

B. Ravi Holla
Chief Financial Officer

Vidya Bhat
Company Secretary

Narayana Swamy T.S.
Partner
Membership No. 241535

Place : Nanjangud
Date : 24th June 2021

NOTICE OF THE 62ND ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty Second Annual General Meeting of The South India Paper Mills Ltd., will be held on Thursday, the 23rd September 2021 at 11.30 am by Video Conference (VC) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2021 and Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year ended 31st March, 2021
3. To appoint a Director in place of Mr. Jitendra A Patel (DIN 00248302), who retires by rotation and is eligible for reappointment.

By Order of the Board of Directors

Nanjangud
24th June, 2021

MANISH M PATEL
MANAGING DIRECTOR

NOTES

1. Considering the present Covid 19 pandemic, the Ministry of Corporate Affairs vide its circular numbers 20/2020 dated May 5, 2020 read with circular numbers 14/2020 dated April 8,2020 and 17/2020 dated 13 April 2020 and SEBI vide its circular no. SEBI /HO/CFD/CMD1/CIR/P/2020/79 have allowed the Companies to hold AGM through Video Conference, without the physical presence of Members at a common venue. In accordance with the provisions of the MCA Circulars, provisions of Companies Act, 2013 and SEBI (LODR) Regulations 2015, the AGM of the Company is being held through Video Conference (VC) hereinafter called as e-AGM. The deemed venue for the AGM shall be the Registered office of the Company.
2. **e-AGM:** The Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
3. Pursuant to the provisions of the Act, since the AGM is being held through Video Conference pursuant to MCA Circulars, physical attendance of the members has been dispensed with. Accordingly the facility for appointment of proxies by the members will not be available for the AGM and hence Proxy form and attendance slip are not annexed hereto. However Body Corporates who are members of the Company are entitled to appoint authorised representatives to attend the AGM through Video conference and participate thereat and cast their votes through e - voting. Since the AGM is being held through Video Conference, the route map of the meeting is not annexed thereto.
4. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. Up to 2000 members will be able to join on a FIFO basis to the e-AGM.

6. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

7. The participation of members through Video conference will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act,2013

8. The Register of Members of the Company will remain closed from 01st September, 2021 to 25th September, 2021 (both days inclusive). The Dividend shall be payable to those Shareholders whose names appear on the Register of Members as on the closing of 31st August, 2021. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

9. Members are requested to communicate the change in address, if any, immediately to the Company's Registrars & Share Transfer Agents M/s KFin Technologies Pvt Limited, Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032

10. In compliance with the MCA Circulars and SEBI Circular dated May 12,2020, 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 RTA of the Company / Depositories. Members may please note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.sipaper.com, website of Stock exchange www.bseindia.com and on the website of the Company's Registrar and Share Transfer Agent, Kfin Technologies Pvt Ltd (KFin Tech) at https://evoting.kfintech.com.

11. The relevant details in respect of item No. 3, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are annexed hereto:

Details of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting

Name of the Director & Age	Qualifications	Date of Appointment & No. of equity shares held in the Co.	Experience in specific functional areas	No. of Board Meetings attended during FY 2020-21	Directorships in other companies	Chairman / membership in committees on the Board of other companies
Mr Jitendra A Patel 73 years	Diploma in Paper Technology, Sweden	27.09.2012 Holds 4,47,520 equity shares	Vast experience in Paper Industry	4	(1) Indo Afrique Afrique Paper Mills Pvt Ltd (1) Laxmi Board and Paper Mills Pvt Ltd	----

Relationship with other Directors

Mr Jitendra A Patel is not related to any Director

12. In order to protect your interest against fraudulent encashment of Dividend warrants, we request you to provide us the name of your bank, branch &the account number, if not already given, to enable us to incorporate the same in your Dividend warrants.

13. Pursuant to Section 205A of the Companies Act,1956, all unclaimed dividends / unpaid dividends upto the financial year ended 31st March,1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to forward their claims in prescribed Form No.II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Office of the Registrar of Companies, Karnataka, E-Wing, II Floor, Kendriya Sadana, Koramangala, Bangalore - 560 034.

14. Members who have not encashed their Dividend Warrants pertaining to the year 2013-2014 & onwards are requested to approach the Company, immediately for obtaining duplicate Dividend Warrant. As per the provisions of Section 124(5) and 124 (6) which came to force on 5th September 2016,Companies while transferring the unpaid dividend will also have to transfer the underlying equity shares, only if the dividend is not claimed for 7 years. Members may please take note of the same.

15. The Board of Directors at their meeting held on 24th June 2021 has recommended payment of Dividend @ 10% i.e Re. 1.00 per equity share of face value Rs 10 for the financial year 2020-21. Subject to the approval of the members at the AGM, Dividend will be paid within 20th October 2021.

16. Payment of Dividend shall be made through electronic mode to those members who have updated their bank account details with their DP or with the Company / RTA. The payment of such Dividend is subject to deduction of tax at source

17. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders with effect from April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates under the Income Tax Act, 1961 ('IT Act').In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, Permanent Account Number ('PAN'), category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by 15th Sept, 2021.

    i) A Resident individual shareholder with Permanent Account Number ('PAN') and who is not liable to pay income tax can submit a yearly declaration in Form No 15G/15H, to avail the benefit of non-deduction of tax at source by email to einward.ris@kfintech.com and corporate@sipaper.com by 15th Sept 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    ii) Non-Resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by forwarding the above documents by email to einward.ris@kfintech.com and corporate@sipaper.com. The aforesaid declarations and documents need to be submitted by the shareholders by 15th Sept 2021.

    No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed Rs.5,000/-

18. For members who have not updated their bank account details Dividend warrants/ demand drafts will be sent to their registered addresses after normalisation of postal service.

19. In order to avoid delay in receiving the Dividend, members holding shares in physical form are requested to register / update their complete bank account details for receiving Dividend directly to their bank accounts.

    The members are required to send scanned copy of the following documents to our RTA @ einward.ris@kfintech.com for updation of their bank account details.

    Signed Request letter mentioning your name, folio number, complete address, Name & branch of the Bank, bank account type, bank account number and type allotted by the banks after implementation of core banking solutions, 9 digit MICR code number, 11 digit IFS Code, cancelled cheque leaf bearing name of the first member, self attested copy of PAN Card and self attested copy of any document such as Adhar card, driving license or Passport or election ID.

    Members holding shares in demat form are requested to update their bank mandate with their respective DP's.

20. Companies Act, 2013 provides for Nomination facility to members. Members desirous of making use of this facility may contact the Company or our Registrars & Transfer Agents.

21. Members may please take note that w.e.f 1st April 2019, no physical shares will be accepted for share transfer unless the shares are dematerialized, as per amendment to SEBI Listing Regulations. Please ensure to demat your physical holdings. SEBI Circular dated 20th April 2018 mandates shareholders whose PAN and Bank account details are not registered with the Company, to provide PAN and Bank account details for updation of the same in the Company records. In this regard communications are sent to physical shareholders whose PAN and Bank account details are not registered. Members may please contact the Company or our RTA M/s KFin Technologies Pvt Ltd, Hyderabad for updation of PAN and Bank account details.

22. In case of change of address with respect to physical shareholding, members are requested to send a letter duly signed by the shareholder(s) along with certified copies of Electricity or Telephone Bill and Ration card and PAN Card copy in support of your changed address.

By Order of the Board of Directors

Nanjangud
24th June, 2021

MANISH M PATEL
MANAGING DIRECTOR

PROCEDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. However, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders,** by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility

iv. The remote e-voting period commences on 20-09-2021 (9.00 AM) and ends on 22-09-2021 (5.00 PM). During this period shareholders' of the Company, holding shares either in physical form in in dematerialized form, as on the cut-off date 16-09-2021, may cast their vote electronically in the manner and process set out herein below. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

v. 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 i.e 16th Sept 2021.

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending 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@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required field IV. Follow steps given in points 1 **3. Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/ Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote.

	2. User not registered for Easi/Easiest I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **022-23058542-43**

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'THE SOUTH INDIA PAPER MILLS LIMITED – 62nd AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

You may then cast your vote by selecting an appropriate option and click on "Submit".

x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xi. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id hitaishkumar@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format " SIPM_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number registered with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at corporate@sipaper.com. Questions / queries received by the Company till 21st September 2021 shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/ OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for upto 2000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

Instructions for members for e-Voting during the e-AGM session:

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. The Chairman shall fix the time for voting at the meeting.

OTHER INSTRUCTIONS

1. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from 19th September 2021 to 21st September 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
2. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from 19th September 2021 to 21st September 2021.
3. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mrs. Shobha Anand / Mr N Shivakumar at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
4. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 16 September, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person

who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

5. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

   i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

      1. Example for NSDL:
         MYEPWD <SPACE> IN12345612345678
      2. Example for CDSL:
         MYEPWD <SPACE> 1402345612345678
      3. Example for Physical:
         MYEPWD <SPACE> XXXX1234567890

   ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

6. Members who have cast their vote by e-Voting are entitled to attend the AGM through Video conference but they cannot cast their vote at the AGM. Once the member has cast his vote on a resolution, he will not be allowed to change it subsequently or cast the vote again.

7. The Board of Directors has appointed Mr.S N Hitaish Kumar,Practicing Company Secretary(Membership No. 6564, CP No. 6553) as the Scrutinizer to scrutinize the e-Voting and voting during the AGM in a fair and transparent manner.

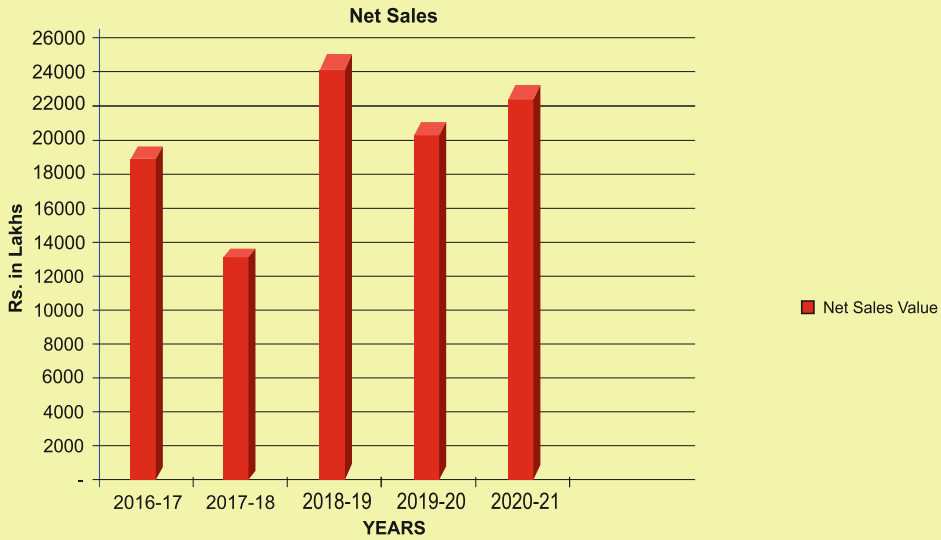
8. The Scrutinizer shall immediately after the conclusion of E voting at the general meeting, count the votes cast at the meeting and then unblock the votes cast through remote evoting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of the conclusion of the meeting, a consolidated Scrutinizer’s Report (integrating the votes cast at the meeting and through remote evoting) of the total votes cast in favour or against, if any, forthwith to the Chairman or any person authorised by the Chairman in writing, who shall countersign the same. The result of evoting shall be declared within 48 hours of the conclusion of the meeting.

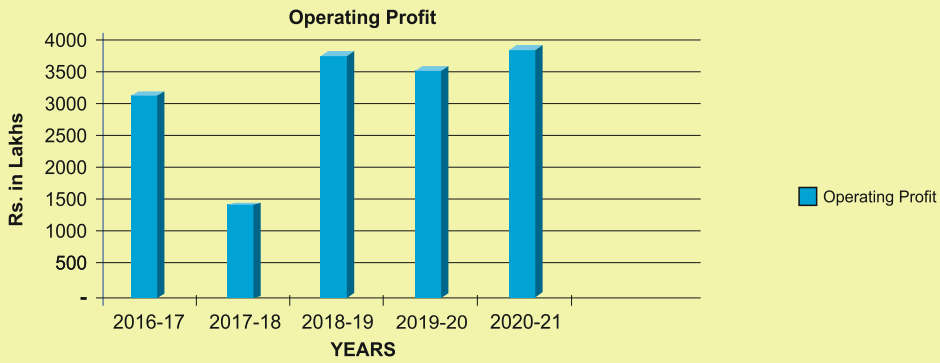
9. The Chairman or the person authorised by him in writing, shall forthwith on receipt of the Consolidated Scrutinizer’s Report declare the Results of the voting. The resolutions shall be deemed to be passed on the AGM Date subject to the receipt of requisite no of votes

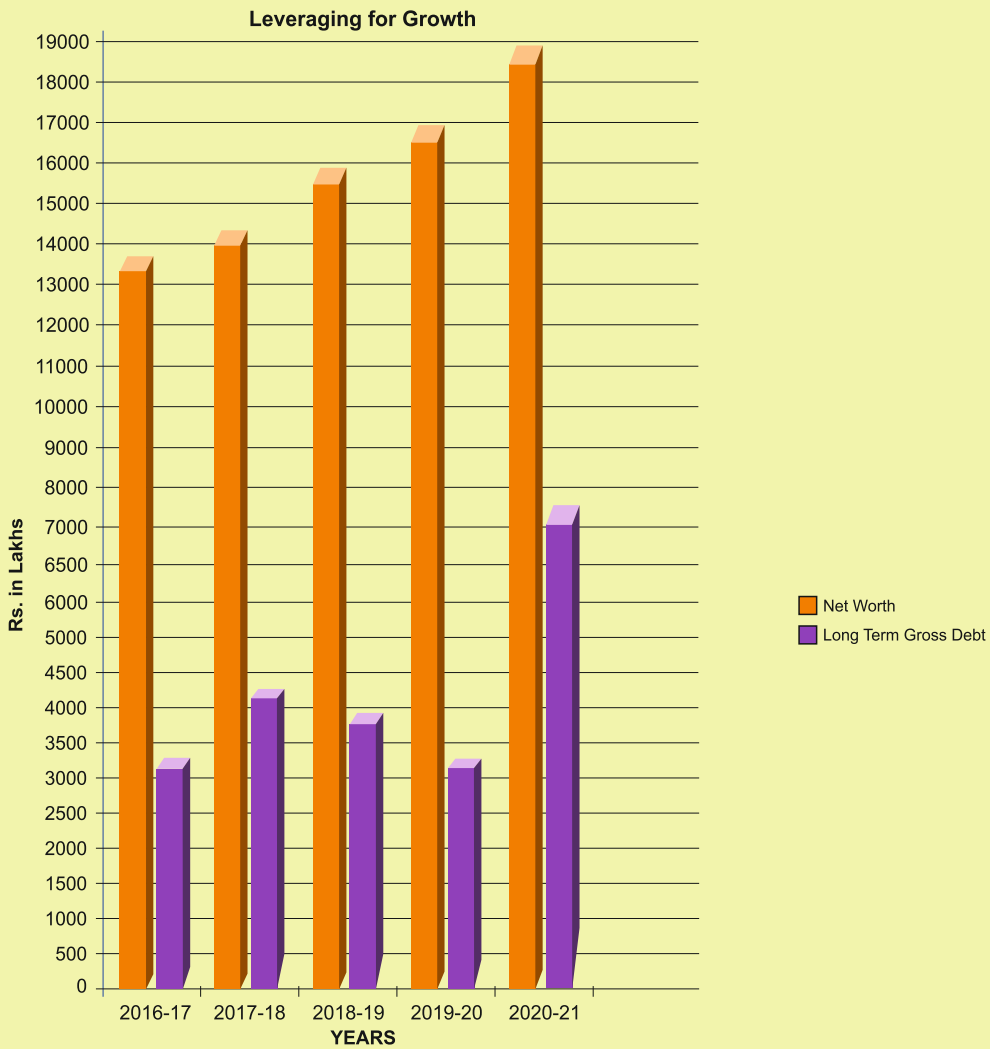
10. The Results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website www.sipaper.com and on the website of service provider(https://evoting.kfintech.com)immediately after the results are declared by the Chairman. The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed.

62nd Annual Report 2020-21

KEY FINANCIAL PARAMETERS AT A GLANCE LAST 5 YEARS









Printed at codeword process and printers, Mangalore Ph. 9900100818
E-mail: codeword.process@gmail.com



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THE SOUTH INDIA PAPER MILLS LIMITED

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