



**MALU PAPER  
MILLS LTD.**

॥ श्री ॥

"Heera Plaza", 4th Floor,  
Near Telephone Exchange,  
Central Avenue, Nagpur - 440 008  
Ph. No. : 2760308, 2778506 (F) 2760310  
Web : malupaper.com  
email : info@malupaper.com  
CIN No. : L15142MH1994PLC076009

**Date: 31-08-2020**

To  
**The Manager**  
**Department of Corporate Services**  
The National Stock Exchange of India  
"Exchange Plaza"  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051.

To  
**The Manager**  
**Department of Corporate Services**  
The Bombay Stock Exchange Ltd.  
Floor 25, PJ Towers,  
Dalal Street,  
Mumbai – 400 001.

**Sub** : Notice of the 27<sup>th</sup> Annual General Meeting ('AGM') and of the Company.

Dear Sir

In compliance of provisions of Regulation 30 and 34 (1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the Notice of the 27<sup>th</sup> AGM of the Company along with Annual Report 2019-20.

Kindly acknowledge the receipt of the same.

Yours faithfully,

**For Malu Paper Mills Limited**

**Banwarilal Malu**  
**Jt. Managing Director**  
**DIN:00301297**

**Encl: as above**



**MALU PAPER**  
**MILLS LTD.**

# **ANNUAL REPORT**

## **FOR THE FINANCIAL YEAR**

### **2019-20**

**Heera Plaza, 4<sup>th</sup> Floor,  
Near Telephone Exchange,  
Central Avenue,  
Nagpur – 440 008  
Phones : 0712-2760308, 2778506, 2733100  
Fax : 0712- 2760310  
Email : [info@malupaper.com](mailto:info@malupaper.com) ;  
[contacts@malupaper.com](mailto:contacts@malupaper.com)**

# MALU PAPER MILLS LIMITED

**Founder**

Late Shri Bhanwarlal Malu  
(1924 - 2007)

**Non Executive Chairman**

Shri Damodar Lal Malu

**Managing Director & CEO**

Shri Punamchand Malu

**Joint Managing Director**

Shri Banwarilal Malu

**Non Executive Directors**

Shri Vasudeo Malu

**Independent Directors**

Shri Chandrakant Thakar  
Shri Satyanarayan Rathi  
Shri Shyamsunder Sarda  
FCA Shrutika Inani

**Plants****Kraft Division**

Village Borujwada, Nagpur Saoner  
Road,  
Taluka: Saoner, District: Nagpur

**Bankers**

State Bank of India  
Axis Bank Ltd  
Bank of Baroda  
Bank of India  
Jammu & Kashmir Bank

**Statutory Auditors**

M/s. R.A.Kuvadia & Co.

**Internal Auditors**

M/s. Samria & Co.

**Secretarial Auditors**

CS. Yugandhara Kothalkar

**CFO**

Shri. Girish Malpani  
(till February 4, 2020)  
Shri. Prakash Modi (w.e.f July 31, 2020)

**Company Secretary & Compliance Officer**

Ms. Mayuri Asawa

**Registered and Corporate Office**

Heera Plaza, 4<sup>th</sup> Floor, Near Telephone  
Exchange, Central Avenue,  
Nagpur - 440008

**Newsprint & Writing Printing Division**

Village Hetti Surla,  
Nagpur Bhopal Road,  
Taluka: Saoner, District: Nagpur

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**MALU PAPER MILLS LIMITED**  
**Regd. Office: Heera Plaza, 4th floor, Near Telephone Exchange,**  
**Central Avenue,**  
**Nagpur – 400008**  
**CIN: L15142MH1994PLC076009**

**NOTICE**

Notice is hereby given to the members of Malu Paper Mills Limited that the 27<sup>th</sup> Annual General Meeting of the members will be held on Thursday, the 24<sup>th</sup> day of September, 2020 at 3.00 P.M. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Results for the year ended on 31<sup>st</sup> March 2020 along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Damodarlal Malu (DIN: 00301120), who retire by rotation and being eligible, offer himself for re-appointment in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** Shri. Damodarlal Malu (DIN: 00301120), who retire by rotation in terms of Section 152 of Companies Act, 2013 and being eligible be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation”.

3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. R. A Kuvadia & Co., Chartered Accountants, Mumbai, be and are hereby re-appointed as the Statutory Auditors of the Company to hold Office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Twenty Eighth Annual General Meeting, at a remuneration as may be decided by the Board in consultation by the Board in consultation with them.”

## **SPECIAL BUSINESS**

### **ITEM NO. 4:**

#### **APPOINTMENT OF SHRI PUNAMCHAND MALU (DIN: 00301030) AS AN EXECUTIVE MANAGING DIRECTOR&CEO (THE WHOLE TIME KEY MANGIERIAL PERSONNEL):**

To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of sec 196, 197, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), and based on the recommendation of Nomination & Remuneration Committee, the consent of the members be & is hereby accorded for appointment of Shri Punamchand Malu (DIN : 00301030) as the Managing Director & CEO (Whole Time key Managerial Personnel) of the company for a term of five years commencing from 01/04/2020 till 31/03/2025 upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of section 197 of the Act and in the agreement entered into between the Company and Shri Punamchand Malu (DIN : 00301030), which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and Shri Punamchand Malu (DIN : 00301030).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to revise the remuneration of Shri Punamchand Malu (DIN : 00301030) from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and MD be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.

### **ITEM NO. 5:**

#### **APPOINTMENT OF SHRI BANWARILAL MALU (DIN: 00301297) AS AN EXECUTIVE JT. MANAGING DIRECTOR (WHOLE TIME KEY MANGIERIAL PERSONNEL):**

To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of sec 196, 197, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), and based on the recommendation of Nomination & Remuneration Committee, the consent of the members be & is hereby accorded for appointment of Shri Banwarilal Malu (Din: 00301297) as the Jt. Managing Director (Whole Time key Managerial Personnel) of

the company for a term of five years commencing from 01/04/2020 till 31/03/2025 upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of section 197 of the Act and in the agreement entered into between the Company and Shri Banwarilal Malu (Din: 00301297), which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and Shri Banwarilal Malu (Din: 00301297).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to revise the remuneration of Shri Banwarilal Malu (Din: 00301297) from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and MD be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.

**ITEM NO. 6:**

**RATIFICATION OF REMUNERATION OF COST AUDITOR:**

To ratify remuneration of cost auditor and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modifications or re-enactment thereof, for the time being in force), payment of remuneration of 45000/- to M/s Khanuja Patra & Associates, Cost Accountants (Firm Registration No.00214) the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2021, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Registered Office:**

Heera Plaza, 4<sup>th</sup> floor,  
Central Avenue  
Nagpur- 440008  
Date: 31<sup>st</sup> July, 2020

**By order of the Board  
For MALU PAPER MILLS LIMITED**

**Sd/-**

**Mayuri Asawa**  
Company Secretary & Compliance Officer

**NOTES:**

1. The Explanatory statement, pursuant to Section 102(1) of the Companies Act, 2013 in respect of the business above is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporate are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include 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. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.malupaper.com](http://www.malupaper.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and

National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

8. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on Monday, 21<sup>st</sup> September, 2020 at 9:00 A.M. and ends Wednesday, 23<sup>rd</sup> September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

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

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

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

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.



c) For Members holding shares in Physical Form.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>
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5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on **[“Forgot User Details/Password?”](#)**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **[Physical User Reset Password?](#)** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.yuga@gmail.com](mailto:cs.yuga@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [contacts@malupaper.com](mailto:contacts@malupaper.com).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [contacts@malupaper.com](mailto:contacts@malupaper.com).

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. 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 in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants 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.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [contacts@malupaper.com](mailto:contacts@malupaper.com). The same will be replied by the company suitably.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**Item no. 4 of the Notice**

The term of appointment of Shri Punamchand Malu as Managing Director expired on 31/03/2020. The previous appointment was approved by the members at Annual General Meeting held on 22/09/2015.

The Board, on recommendation of the Nomination and Remuneration Committee, re-appointed him as Managing Director for another term of 5 years i.e. from 01/04/2020 till 31/03/2025 on the terms and conditions including remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:

The following terms and conditions to be considered:

- a) Tenure: 5 years
- b) Total Salary: Rs. 24,00,000/- per annum;

Minimum remuneration:- In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall be paid remuneration by way of salary and perquisites as set out above, as minimum

remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.

The terms and conditions of the said re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with the provisions of the Act, or any amendments made therein.

The Directors recommend the Ordinary Resolutions for your approval

Except Shri Damodarlal Malu, no Director of the Company is concerned or interested in the said resolution

#### **Item no. 5 of the Notice**

The term of appointment of Shri Banwarilal Malu (Din: 00301297) as Jt. Managing Director expired on 31/03/2020. The previous appointment was approved by the members at Annual General Meeting held on 22/09/2015.

The Board, on recommendation of the Nomination and Remuneration Committee, re-appointed him as Jt. Managing Director for another term of 5 years i.e. from 01/04/2020 till 31/03/2025 on the terms and conditions including remuneration as mentioned below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:

The following terms and conditions to be considered:

- a) Tenure: 5 years
- b) Total Salary: Rs. 24,00,000/- per annum;

Minimum remuneration:- In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time.

The terms and conditions of the said re-appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with the provisions of the Act, or any amendments made therein.

The Directors recommend the Ordinary Resolutions for your approval

Except Shri Vasudeo Malu, no Director of the Company is concerned or interested in the said resolution.

#### **Item no. 6 of the Notice**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2020-21 at a fee not exceeding Rs. 45000/- (excluding taxes and out of pocket expenses).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to

the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2020-21.

Your Directors recommend the Resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives, of your Company is concerned or interested in the said Resolution.

***Registered Office:***

Heera Plaza, 4<sup>th</sup> floor,  
Central Avenue  
Nagpur- 440008  
Date : 31<sup>st</sup> July, 2020

**By order of the Board  
For MALU PAPER MILLS LIMITED**

**Sd/-  
Mayuri Asawa**  
*Company Secretary & Compliance Officer*

**1. DETAILS OF DIRECTORS seeking reappointment at the forth coming Annual General meeting (Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

<b>Name of the Director</b>	<b>Shri. Punamchand Malu</b>	<b>Shri. Banwarilal Malu</b>
DIN	00301030	00301297
Date of Birth	13/03/1952	01/06/1959
Date of first appointment on the Board	11/01/1994	11/01/1994
Designation	Managing Director & CEO	Jt. Managing Director
Qualification	PUC	B.Com
Chairman/ Member of the Committees of the Board of Directors of the Company	Chairman of CSR Committee	Member SRC & CSR Committee
Expertise in specific functional area/ Experience	Shri. Punamchand Malu is the Promoter & Managing Director in company, Malu Paper Mills Ltd., since incorporation. His business interest includes active dealing and trading in real estate properties and share & stock markets. He is also associated with organisation in diverse fields such as Business, Charitable, Religious, Social and Government organization.	Shri. Banwarilal Malu is the Promoter & Jt. Managing Director in company, Malu Paper Mills Ltd., since incorporation. His business interest includes active dealing and trading in real estate properties and share & stock markets
Details of Remuneration sought to be paid	24,00,000	24,00,000
Last Remuneration drawn	24,00,000	24,00,000
No. of equity shares held	402,208	372,912
<b>Relationship with other Director / KMPs</b>	Brother of Shri Damodarlal Malu, Chairman and Non executive director of the	Brother of Vasudeo Malu, Non executive director of the company

	company	
Names of other listed entities in which the person also holds the Directorship and the membership of the committees of Board		
Board (Listed entities)	NIL	
Committees (Listed entities)	NIL	

## **MALU PAPER MILLS LIMITED**

### **REPORT OF BOARD OF DIRECTORS.**

The Directors have pleasure in presenting the 27<sup>th</sup> Annual Report for the year ended 31st March 2020 along with the Audited Statement of Accounts with the Report of the Auditors thereon:

#### **FINANCIAL RESULTS**

(Rs. In Lakhs)

	FY 2019-2020	FY 2018-2019
Sales & Other Incomes	22741.60	27553.63
Profit Before Interest & Depreciation	1389.67	2457.00
Less: Financial Charges	792.31	971.33
Profit Before Depreciation	597.37	1485.67
Less: Depreciation	489.71	477.78
Less: Provision For Tax	41.65	265.82
Profit/(Loss) After Tax	66.01	742.43

#### **REVIEW OF OPERATIONS**

Your company has posted another year of profitable results considering the challenges faced by it in the current financial year. For the year under review the Company recorded total income of Rs. 22741.60 Lakhs and booked profit before tax of Rs. 107.66 Lakhs.

#### **STATE OF AFFAIRS**

The company is in the business of Manufacturing Newsprint, Writing & Printing paper and Kraft Paper. The current year witnessed lot of change in the international paper market and these changes impacted the operations of the Indian paper industry. In the FY 2019-20 the company produced 85,213 Mt of paper as against 85,015 Mt produced in FY 2018-19. In FY 2018-19 the company produced 39,161 Mt (46%) of Kraft paper and 45,854 Mt (54%) of Newsprint & Writing printing paper. In FY 2019-20, the company produced 41,505 Mt (49%) of Kraft paper and 43708 Mt (51%) of Newsprint & Writing printing paper. There was a change in the product mix in FY 2019-20 to take advantage of the market scenario. The turnover was Rs.22741.60 Lakhs in FY 2019-20 in comparison to turnover of Rs. 27553.63 Lakhs in FY 2018-19. However, the Profit after Tax (PAT) of the current FY was Rs. 66.01 Lakhs in comparison to the Rs. 742.07 lakhs in FY 2018-19. The PAT was reduced by 91%.

Malu Paper Mills Ltd has paper mills strategically located in Central India at Nagpur (Maharashtra). The company is the largest Newsprint manufacturer of Central India with 49,500 TPA capacity and produces quality Newsprint with recycle process. The company has swing facility wherein it can change to Newsprint and Writing paper production at short notice. The company is also in the manufacture of the packaging paper of recycle grade with an annual capacity 50,000 TPA. The positive turn of events in the Indian paper industry in the current year due to changes in the International and Domestic market, Environment and Industrial policy of the government has resulted in favourable changes, which will continue to impact the prospects of the company in years to follow.



There has been no major change in the business of the company during the financial year ended 31<sup>st</sup> March, 2020.

#### **NUMBER OF BOARD MEETINGS HELD**

The Board of Directors met Five (05) times during the year and the details thereof were mentioned in the Report of Corporate Governance forming part of this Annual Report.

#### **AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT**

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

#### **DETAILS OF FRAUD REPORT BY AUDITOR:**

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

#### **AUDITORS**

M/s. R. A Kuvadia & Co., Chartered Accountants, Mumbai, the Auditors of the company, will retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. In terms of provisions of section 139 of the Companies Act, 2013 M/s. R. A Kuvadia & Co., Chartered Accountants have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act. As required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN OR SECURITY PROVIDED**

The loans given, investments made or guarantee given or security provided by the Company are same as mentioned in notes to the Financial Statements.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year ended 31<sup>st</sup> March, 2020 were on an arm's length basis and were in the ordinary course of business. The details of the transactions were tabled before the Audit Committee. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

However, the disclosure of transactions with related party for the year, as per Accounting Standard-18 Related Party Disclosures is given in Note no 27 to the Balance Sheet as on 31<sup>st</sup> March, 2020.

## **TRANSFER TO RESERVES**

The Company transferred a sum of Rs 6,600,906/- to Retained Earning Reserve during the financial year ended 31<sup>st</sup> March, 2020.

## **DIVIDEND**

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

## **MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

As per the provisions of the Companies Act, 2013, a company meeting the specified criteria shall spend at least 2% of its average net profits for three immediately preceding financial years towards CSR activities. Accordingly, your Company spent Rs. 5,51,000/-towards CSR activities during the financial year 2019-20. The contents of the CSR policy and CSR Report for the year 2019-20 is attached as **Annexure D** to this report. Contents of the CSR policy are also available on the Company's website and can be accessed through the web link <http://malupaper.com/pdf/CSR%20POLICY.pdf>

## **DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint Venture or Associate Company.

## **DETAILS OF DIRECTOR / KEY MANAGERIAL PERSONNEL APPOINTED/ RETIRED DURING THE YEAR**

The Board on recommendation of Nomination and Remuneration Committee re-appointed Shri Punamchand Malu (DIN 00301030), as Managing Director and Shri Banwarilal Malu (DIN 00301297) as Joint Managing Director of the Company, subject to approval of shareholders at the ensuing annual general meeting.

Shri Vasudeo Malu (DIN 00301313), the Non Executive Director continues to remain on the Board of the Company and Shri Damodarlal Malu (DIN 00301120), the Non Executive Director who is liable to retire by rotation retires at the ensuing annual general meeting and being eligible offers himself for re-appointment.

Shri. Chandrakant Thakar, Shri. Shyamsunder Sarda, Shri. Satyanarayan Rathi and FCA. Shrutika Inani were re-appointed as an independent directors for a second term of five years at the Twenty sixth Annual General Meeting (AGM) held on September 27, 2019 continued to remain on the board of the company.

During the year, Shri. Girish Malpani resigned as Chief Financial Officer of the Company with effect from February 4, 2020. The Board placed on record its sincere appreciation of the services rendered by him during his tenure with the Company.

Shri. Prakash Modi has been appointed as Chief Financial Officer of the Company w.e.f. July 31, 2020.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Shri. Punamchand Malu - Managing Director, Shri. Banwarilal Malu - Jt. Managing Director and Mayuri Asawa - Company Secretary.

A resolution seeking shareholders' approval for the re-appointment of Managing Directors forms a part of the Notice.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from all the Independent Directors under Section 149 (7) of the Companies Act, 2013 and SEBI Listing Regulations that :

- a) They meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) They are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence pursuant to Regulation 25 of the Listing Regulations.
- c) they have complied with the requirement of inclusion of their name in the data bank maintained by Indian Institute of Corporate Affairs as envisaged under Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, as applicable and they hold valid registration certificate with Data Bank of Independent Directors.

#### **EVALUATION OF INDIVIDUAL DIRECTORS, THE BOARD & ITS COMMITTEES:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing regulations, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the financial year 2019-20. The performance evaluation was done using individual questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership, etc. The performance evaluation of the respective Committees and that of independent and non-independent directors was done by the Board excluding the Director being evaluated.

The performance evaluation of Non-Independent Directors, the Chairman and the Board was done by the Independent Directors.

#### **PUBLIC DEPOSITS**

The Company has not accepted any deposits under Chapter V of Companies Act, 2013 from public during the year under review.

## **INTERNAL FINANCIAL CONTROL**

The Company has put in place adequate internal financial control procedures commensurate with its size, complexity and nature of business. The Company has identified and documented all key financial controls, which impact the financial statements as part of its Standard Operating Procedures (SOP). The financial controls are tested for operating effectiveness through ongoing monitoring and review process by the management and also independently by the Internal Auditor. The Internal Auditor of the Company reports functionally to the Audit Committee of Board, which reviews and approves risk based annual internal audit plan. The Audit Committee periodically reviews the performance of internal audit function.

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

## **COST RECORD**

The provision of Cost audit as per section 148 applicable on the Company and company has maintained proper records and account of the same as required under the act.

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors had appointed M/s. Khanuja Patra & Associates, Cost Accountants, as Cost Auditors of the Company for conducting the audit of Cost records for the financial year ended on 31<sup>st</sup> March 2020. The audit is in process and report will be filed within prescribed period.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## **CONSTITUTION OF COMMITTEE - SEXUAL HARASSMENT AT WORKPLACE**

The Company has constituted committee under the sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013 and company has complied with the provisions of the same.

During the year, no complaint of sexual harassment were received to the company.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Company doesn't have any subsidiaries so there is no need to prepare consolidated financial statement for the F. Y. 2019-20.

## **COMPLIANCE WITH SECRETARIAL STANDARD**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and that such systems are adequate and operating effectively

## **DIRECTORS RESPONSIBILITY STATEMENT FORMING PART OF DIRECTORS REPORT**

As required under Section 134(5) of the Companies Act, 2013, the Director's confirm that:

- 1 In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2 The Directors had selected such accounting policies and applied them consistently and made judgments and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of Company as on 31<sup>st</sup> March 2020 and of the profit of the company for that period.
- 3 The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4 The annual accounts have been prepared on a going concern basis.
- 5 The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 6 The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these were adequate and operating effectively.

### **COVID- 19**

In the last month of FY 2020, COVID-19, declared by the World Health Organization a global pandemic, developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nation-wide lockdown as a measure to contain the spread of Covid-19. For the Company, the focus immediately shifted to ensuring the health and wellbeing of all employees and on minimizing disruption to the operations of the Company. The Company immediately adopted a 'Work from Home' model for all its office-based employees. Owing to the lockdown, the manufacturing operation and supply chain was impacted in the second half of March 2020.

The Company is closely monitoring the impact of the pandemic on all aspects of its business and is taking appropriate measures and ensuring full compliance with the directives issued by the Government in this regard.

### **LISTING OF SHARES**

Equity Shares of Company are listed on The Bombay Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE). The Company has duly paid listing fees to stock exchanges.

## **DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and detailed policy is available on <https://www.malupaper.com>.

## **RISK MANAGEMENT**

The assets of the Company are adequately insured against the loss of fire, riot, earthquake, terrorism etc. and other risks which considered necessary by the management. The management has taken adequate steps to protect its assets and safeguard the interest of the company.

## **AUDIT COMMITTEE**

As per the provisions of the Listing Agreement and pursuant to Section 177 of the Companies Act, 2013, the Audit committee constituted to review compliances with internal control systems and other various functions of the Company. FCA Shrutika Inani, Independent Director was the Chairman of the Audit Committee.

## **CORPORATE GOVERNANCE**

In terms of the Listing Regulations, a report on Corporate Governance along with Auditors' Report on its compliance is annexed, forming part of the Annual Report. Additionally, this contains compliance report signed by the CEO of the Company in connection with compliance with the Code of Conduct, and also CEO/CFO Certification as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In line with the requirements of Companies Act, 2013, your Company has constituted the Board Committees and has in place all the statutory Committees required under the law. Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

As per the provisions of Section 177(9) of the Companies Act 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The practice of the Whistleblower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The same has been uploaded on company's website at [www.malupaper.com](http://www.malupaper.com)

## **SECRETARIAL AUDIT**

CS. Yugandhara Kothalkar, Company Secretary has been appointed to conduct the Secretarial Audit of the Company as required under the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (LODR) Regulations, 2015 and also to provide the Secretarial Compliance Report for the financial year 2019-20. Copy of the Secretarial Audit Report in Form MR-3 is given as an **Annexure A** to this Director's Report.

## **ABSTRACT OF THE ANNUAL RETURN**

The Abstract of the Annual Return for the year 31<sup>st</sup> March 2020 being attached with the Directors Report as **Annexure B**. The same is available on our website <http://malupaper.com/investor-relations.aspx>

## **DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

- (a) The outstanding shares in the suspense account held with Sharekhan Limited lying at the beginning of the year is 3,019 shares;
- (b) none of shareholders approached listed entity for transfer of shares from suspense account during the year;
- (c) no shares were transferred from suspense account during the year;
- (d) the outstanding shares in the suspense account held with Sharekhan Limited lying at the end of the year is 3,019 shares;
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Companies Act, 2013, read with the Companies (Accounts) Rules 2014 is given as per '**Annexure C**' and forms part of the Directors' Report.

As regards disclosure of particulars relating to conservation of energy, great emphasis has been given for reduction of energy consumption to reduce cost per unit of goods. Details are attached herewith as per '**Annexure C**'.

The Company imports some portion of its raw material requirement. The foreign exchange earnings and outgo are as mentioned in the reports of the auditor of the Company. Details are attached herewith as per '**Annexure C**'.

## **PARTICULARS OF EMPLOYEES**

None of the employee, including Key Managerial Personnel, was drawing in excess of the limits prescribed by Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees Rules, 1975, which needs to be disclosed in the director's report.

The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year -

S.No	Name of the Director	Remuneration	Median Remuneration	Ratio (Remuneration of Director to Median Remuneration) times
		Per Annum	Per Annum	
		(INR)	(INR)	
Executive Directors				
1	Shri. Punamchand Malu	24,00,000	2,55,027	9.41
2	Shri. Banwarilal Malu	24,00,000	2,55,027	9.41
Non Executive Directors/Independent Directors				
3	Shri. Damodarlal Malu	NIL	-	-
4	Shri. Vasudeo Malu	NIL	-	-
5	Shri. Chandrakant Thakar	NIL	-	-
6	FCA. Shrutika Inani	NIL	-	-
7	Shri. Satyanarayan Rathi	NIL	-	-
8	Shri. Shyamsunder Sarda	NIL	-	-
Chief Financial Officer				
9	Mr. Girish Malpani*	31,08,330	N.A	N.A

- There is no increase in the remuneration of Executive directors and Company Secretary in the financial year.
- During the Financial year 2019-20, Mr. Girish Malpani ceased to be the Chief Financial Officer of the Company w-e-f February 4, 2020, Hence percentage increase in remuneration is not applicable.
- The percentage increase in the median remuneration of employees in the financial year: 1.96%
- The number of permanent employees on the rolls of Company: 199

Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

### ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to Bankers, Customers, Business Associates for the co-operation and support and to the Shareholders, dealers and suppliers, staff and workers for their contribution to the company's growth.

Date : 31/07/2020  
Place : Nagpur

By Order of Board of Directors

**Punamchand Malu**  
**Managing Director & CEO**  
**(DIN:00301030)**

**Banwarilal Malu**  
**Jt. Managing Director**  
**(DIN:00301297)**



## **INDUSTRY STRUCTURE AND DEVELOPMENTS GLOBAL**

### **GLOBAL**

Paper Industry, occupies a prestigious position, among the various manufacturing enterprises, in view of its significant contribution to the Society. Role of paper in promotion of literacy and education, propagation of information and knowledge and in packaging of commodities of commercial value, makes it an indispensable product.

Paper Industry is a significant player in the World Economy. Its annual revenue exceeds US \$ 500 billion. World consumption of paper and paper boards grew from 169 million tonnes in 1981 to 253 million tonnes in 1993 and to 352 million tonnes in 2005. Current consumption is in excess of 400 million tonnes. Paper usage has been declining in North America and Europe since 2006 while steeply rising in China and other Asian Economies. About half of the paper produced each year is recycled. (200 million tonnes).

The four key Paper and Board categories are: Newsprint, Printing and Writing Papers, Paper Boards for packaging applications and Tissue Papers & other Specialty Papers. Packaging grades account for over 55% of consumption, printing and writing grades over 32%, tissue papers 8-10% and others about 3%.

Tissue and packaging grades are expected to witness higher growth rates, in future while newsprint and printing and writing grades may witness declining trend.

#### **Prior to Covid – 19**

It was predicted that the outlook for the global Paper and forest products Industry would be 'Stable' based on a boost to income by 2% - 4% over the next 12-18 months.

Higher prices, productivity improvements and synergies from recent acquisitions, as well as stronger wood product, paper packaging and market pulp demand, will drive profit growth. This will be partially offset by lower paper demand and rising freight, labour, energy and chemical costs. Fibre prices, typically the largest input cost for most of the industry's products, will be volatile.

There were healthy gains in packaging and tissue outweighed the slide in graphic paper demand in 2016, allowing global paper and paperboard demand to grow by 1%, or 3.9 million metric tonnes.

China is the largest consumer of paper and boards with more than 100 million tonnes annually. China is also the biggest importer of recovered paper and producer of recycled paper. The Chinese Environment Paper Network (CEPN) has flagged its major concerns like, Pollution of water from untreated mill effluent, unsustainable sourcing of fibre for Mills, imports of pulp from countries causing deforestation, insufficient levels of wastepaper recovery and wasteful use of paper.

#### **Post Covid – 19**

Global economy has witnessed a serious health epidemic challenge and the whole world is trying to find its solution. Such a war like situation is adversely affecting almost all the industries of any country. Paper industry being one of the oldest manufacturing sectors in the world, is expected to get badly impacted due to dis-

equilibrium between consumption & supply. Manufacturers are facing unique challenges caused by the crisis and forest paper and packaging producers are no exception.

The companies in the sector must navigate the challenge of simultaneously safeguarding employee wellbeing, managing potentially disrupted supply chains and evaluating tumultuous economic and capital market conditions.

Once gravity of these crises will soften, the industry is expected to grow in some or the other form and will catch up with domestic as well as global economy growth.

## **Domestic**

### **Prior to Covid – 19**

India's paper production, in the year 2017-18 is estimated at 18.91 million tonnes as per CPPRI. This would put the per capita consumption of India at 15 kgs. Indian Paper Manufacturers Association had estimated the annual growth rate to be 6.82% and has projected per capita paper consumption to reach 17 kgs in the year 2025.

India ranks as the 5th largest producer of paper in the world. However, the Indian Paper Industry accounts for a meagre 4% of global paper demand. The per-capita consumption of 14-15 kgs is significantly lower than the world average of around 57 kgs. India's per capita consumption is considerably lower than China's 65 kgs, Indonesia's 22 kgs, Malaysia's 25 kgs, and of course USA's 312 kgs consumption levels. This indicates the ample scope available for expansion of the Indian Paper Industry.

CRISIL however expects paper demand to grow between 5.5% and 6.5% between now and 2020-21, Demand for paper board is expected grow at a healthy 7.0% - 7.5% over the next 5 years. Printing and writing paper is expected to rise at 4% - 4.5% CAGR against 3.6% between 2010-11 and 2015-16 on account of a likely pick-up from the education sector with improving literacy rates and Government schemes. Specialty Paper is expected to continue growing at about 9%-11%.

The Indian Paper Manufacturers' Association (IPMA) estimates the domestic market sizes to be around 17.19 million tonnes comprising Newsprint 2.6 million tonnes, Printing & Writing Grades 5.0 million tonnes, Packing Paper and Paper Boards 8.7 million tonnes, Tissue 0.17 million tonnes, MG Grades 0.24 million tonnes and others 0.35 million tonnes. IPMA's estimate for growth of the Indian market is 6.5% per annum, with Printing and Writing Grades set to grow by 4.86%, Packing Grades by 8.37% and Tissue by 17.75%.

Paper Companies posted a sharp turnaround in 2017-18 and 2018-19. Domestic paper demand remained buoyant as closure of stressed domestic capacities led to supply constraints. Reduced Raw Material and power prices had aided profit growth.

### **Post Covid – 19**

AS Mehta, President of Indian Paper Manufacturers Association and President of JK Paper, said "due to the Covid-19 pandemic situation since March, both inward and outward supply chains of the paper industry have been totally disrupted, and are yet to fully recover. There has also been a severe demand compression due to

the lockdown and closing down of educational institutions, commercial establishments and downstream printers, publishers, converters, stationery services among others.”

Even after the lifting of the lockdown, the situation has not improved much with only a small pick-up in demand. The country’s paper industry is currently operating at less than 50 per cent capacity utilization due to the severe demand compression and cheap imports flooding into the country.

The paper industry is operating under extremely challenging conditions which have been compounded by substantial quantities of paper being imported into the country at significantly lower costs, especially due to the Free Trade Agreements such as India-ASEAN FTA and Indo-Korean CEPA and other trade agreements like Asia Pacific Trade Agreements, which includes China.

The country’s paper sector, which registered a growth of about 5-6 per cent last fiscal ended March 31, 2020, is likely to see a de-growth this financial year with poor sales volumes in the first quarter and the ongoing second quarter, where the situation has not improved much. However, the business may take at least couple of more quarters. In a fair assessment, things may get back to normalcy by next year.

Among various business segments within the paper industry, the packaging industry has fared well across segments - pharma sector, FMCG and growth of the e-commerce business. However, the education, office and commercial segments have been adversely hit.

The imports of paper and paperboards, barring the newsprint into the country, have been steadily increasing. In the last nine years, imports have risen at a CAGR of 11.34 per cent in value terms from ₹3,411 crore in 2010-11 to ₹8,972 crore in 2019-20. The imports as per estimates are growing at a very high rate as compared to the increase in domestic production rate with underutilisation of domestic installed capacity.

However, the biggest hope for the industry is the potential for the per capita paper consumption going up from the present 14 kg to about 17 kg by 2024-25. The global average per capita consumption is about 57 kg.

The industry is hoping that the Covid-19 pandemic fades away and business gets back to normalcy with schools, educational institutions, and commercial establishments functioning normally within couple of months, so that it would trigger industry volume growth again.

### **Strength & Opportunities**

- During the last decade, China became the focal manufacturing hub for many global business operations. However, after being seriously impacted with COVID-19, global customers mainly from US and Europe started looking at India as an alternative and reliable source of manufacturing.
- Government emphasis on avoid plastic packaging and to promote Bio degradable packaging to provide impetus to the packaging industry.
- Robust growth in e-commerce, FMCG, Consumer Goods & Pharma to drive paper board demand.

- Industry is large and growing domestic paper market and potential for export.
- Three Inland Container Depots (ICD) nearby enabling smooth and cost effective infrastructure for import and export of goods.
- Government's thrust on education, literacy and environment coupled with increasing disposable income and overall economic growth of the nation.

### **Weakness & Threats**

- Most of the domestic manufactures depend upon imported items like Pulp, Chemicals, and Spares. With more and more countries following lockdown procedures as an immediate precaution from such epidemic health hazard there are visible logistic constraints i.e. availability of containers & vessels, increased transit time & cost.
- Poor collection of used paper resulting in low recovery rate and undue dependency on imports to meet domestic needs.
- Increasing competition from electronic media and digital communication alternatives (for newsprint).
- Increasing imports consequent on numerous Regional Trade Agreements (RTAs)/Free Trade Agreements (FTAs) entered into by the government without adequate safeguards.
- Fragment nature of industry having small and unorganized industry players.

### **Segment wise or Product wise performance**

The company is a single product company and hence, segment wise or product wise performance is not provided.

### **Risk and Concerns**

Post Covid-19 a huge downturn in the fortunes of Paper Industry is predicted. Ind-Ra expects a decline in paper demand in FY 21, given the hit on demand from packaging, education, corporate and print media sectors due to the prolonged nation-wide lockdown.

Newsprint, Printing & Writing paper segment which is prime grade among company's products is expected to be impacted more severely in the near term. Indian Paper industry is facing constraint for waste paper availability at reasonable prices.

### **FUTURE OUTLOOK**

Over the next five years, the domestic industry is projected to grow at 6-7% CAGR to reach 20 million tonnes by 2022. Packaging paper & board segment demand is expected to grow at a faster pace as compared to Printing & Writing and the Newsprint segments.

The reasons for growth of paper industry in country are continuous demand for education and literacy, increasing organised retail, growth in e-commerce, FMCG,

pharma/ healthcare sector, demand of quality packaging, ban on plastic (especially polythene bags) and incremental demand of eco-friendly paper bags, continuously increasing demand of ready-to-eat food and printed stationary.

The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanization and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country.

Higher recycling demand will further push the use of paper as a packaging material, with consumers and businesses looking for solutions that help in cost reduction as well as keeping the environment safe while keeping government regulations intact.

### **Internal Control Systems and their adequacy**

The company maintains adequate and effective internal control systems commensurate with its size and complexity. It believes that these systems provide, among other things a reasonable assurance that transactions are executed with management authorization. It also ensures that they are recorded in all material respect to permit preparation of financial statements in conformity with established accounting principles along with the assets of the company being adequately safeguarded against significant misuse or loss. An independent Internal Audit function is an important element of Company's Internal Control System. This is supplemented through an extensive internal audit program and periodic review by the management and the Audit Committee of Board.

### **Highlights of the Company's Financial Performance & Significant Ratios**

		(Rs. in Lakhs)	
<b>Sr No</b>	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
1.	Total Income	22741.60	27553.63
2.	Earning before finance cost, tax, depreciation and amortization (EBITDA)	1389.67	2457.00
3.	Less: Finance Cost	792.31	971.33
4.	Profit before depreciation, amortization and taxation	597.37	1485.67
5.	Less: Depreciation and Amortization	489.71	477.78
6.	Profit before taxation	107.66	1007.89
7.	Less: Deferred Tax Debit/(Credit)	41.65	265.82
8.	Profit after tax from continuing operations	66.01	742.07
9.	Add: Other Comprehensive Income	0.00	0.36
10.	Net Profit for the year	66.01	742.43
11.	Debtors Turnover Ratio	8.64	11.48
12.	Inventory Turnover Ratio	10.40	10.30
13.	Current Ratio	0.54	0.56
14.	Debt Equity Ratio	2.83	2.84
15.	Interest Coverage Ratio	1.14	2.04
16.	Operating Profit Margin	9.18	8.84
17.	Net Profit Margin	0.48	3.68

### **Human Resources and Industrial Relations**

The Company employs 199 persons in all ranks in its two units as on 31st Mar'2020. The Company continuous to accord the highest priority to health and safety of its employees and communities it operates in. Further to prevent the spreads of Covid - 19 pandemic, the Company has taken all precautionary measures required at all its plant as well as at office locations.

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(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,  
MALU PAPER MILLS LIMITED,  
CIN - L15142MH1994PLC076009  
HEERA PLAZA, 04<sup>TH</sup> FLOOR,  
NEAR TELEPHONE EXCHANGE,  
CENTRAL AVENUE, NAGPUR,  
MH - 440008, INDIA.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MALU PAPER MILLS LIMITED**. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the **MALU PAPER MILLS LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 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 **MALU PAPER MILLS LIMITED**. ("the Company") for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (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, 2009; **(No incidence during the audit period, hence not applicable);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(No incidence during the audit period, hence not applicable);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(No incidence during the audit period, hence not applicable);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(No incidence during the audit period, hence not applicable);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(No incidence during the audit period, hence not applicable);**
- (vi) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following heads/groups:-
- a) The Factories Act, 1948 and Rules made thereunder;
  - b) Labour laws and other incidental laws related to labour and employees appointed by the Company;
  - c) Acts and Rules prescribed under prevention and control of pollution;
  - d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
  - e) Acts and Rules relating to boilers, electricity, fire, etc.;
  - f) Contract Act, 1872;
  - g) Transfer of Property Act, 1882;
  - h) Bombay Stamp Act, 1958;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange(s),
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Observation I – Penalty OF Rs. 3,24,640/- has been paid to NSE on 06/02/2020 (during the year under review) for rejection of request for waiver of fine with regard to the non-compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('listing regulations') for quarter ended December 31, 2017.

**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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded,

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

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

**Date : 30<sup>th</sup> July, 2020**  
**Place : Nagpur**  
**UDIN : A028673B000530416**

**CS YUGANDHARA KOTHALKAR**  
PRACTICING COMPANY SECRETARY,  
Membership No. – 28673  
CP No. – 1033



**'ANNEXURE - A'**

**To,**

**MALU PAPER MILLS LIMITED,  
CIN - L15142MH1994PLC076009  
HEERA PLAZA, 04<sup>TH</sup> FLOOR,  
NEAR TELEPHONE EXCHANGE,  
CENTRAL AVENUE, NAGPUR,  
MH – 440008, INDIA.**

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

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

**Date : 30<sup>th</sup> July, 2020**  
**Place : Nagpur**  
**UDIN : A028673B000530416**

**CS YUGANDHARA KOTHALKAR**  
PRACTICING COMPANY SECRETARY,  
Membership No. – 28673  
CP No. – 1033

**Annexure B to Directors Report**  
**FORM NO. MGT 9**

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.*

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2020**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L15142MH1994PLC076009
ii	Registration Date	11-01-1994
iii	Name of the Company	Malu Paper Mills Limited
iv	Category of the Company	Public Company
v	Address of the Registered office details  Telephone (with STD Code) : Fax Number : Email Address : Website, if any:	Heera Plaza, 4th Floor, Near Telephone Exchange, Central Avenue, Nagpur 440008 (MS) 0712-2760308 0712-2760310 <a href="mailto:info@malupaper.com">info@malupaper.com</a> <a href="http://www.malupaper.com">www.malupaper.com</a>
vi	Whether listed company	YES
vii	Name and Address of Registrar &  Transfer Agents ( RTA ):-  Telephone (with STD Code) : Fax Number :	Link Intime India Private Limited C- 101, 247 Park, LBS Marg, Vikroli (W) Mumbai 400 083 (MS) 022-49186000 022-49186060

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

	<b>Name &amp; Description of main products</b>	<b>NIC Code of the products</b>	<b>% to the total turnover</b>
i	Kraft Paper	2800	49
ii	Newsprint Writing Printing	2802; 2803	51

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Name of the Company	CIN/ GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
<b>NIL</b>				

**IV) Shareholding Pattern (Equity Share Capital Break Up As a Percentage of Total Equity)**
**i) Category Wise Share Holdings**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8343984	0	8343984	'48.9118	8348984	0	8348984	'48.9411	'0.0293
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	3584024	0	3584024	'21.0093	3584024	0	3584024	'21.0093	'0.0000
	Sub Total (A)(1)	11928008	0	11928008	'69.9211	11933008	0	11933008	'69.9504	'0.0293
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	11928008	0	11928008	'69.9211	11933008	0	11933008	'69.9504	'0.0293
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000

**IV) Shareholding Pattern (Equity Share Capital Break Up As a Percentage of Total Equity)**
**i) Category Wise Share Holdings**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2191077	3562	2194639	'12.8648	2517293	3562	2520855	'14.7771	'1.9123
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1511655	0	1511655	'8.8612	1343576	0	1343576	'7.8759	'-0.9853
(b)	NBFCs registered with RBI	500	0	500	'0.0029	400	0	400	'0.0023	'-0.0006
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	501121	0	501121	'2.9375	433120	0	433120	'2.5389	'-0.3986
	Non Resident Indians (Non Repat)	2575	0	2575	'0.0151	4102	0	4102	'0.0240	'0.0089
	Non Resident Indians (Repat)	36475	0	36475	'0.2138	34623	0	34623	'0.2030	'-0.0108
	Clearing Member	62434	0	62434	'0.3660	14624	0	14624	'0.0857	'-0.2803
	Bodies Corporate	821843	0	821843	'4.8176	774942	0	774942	'4.5426	'-0.2750
	Sub Total (B)(3)	5127680	3562	5131242	'30.0789	5122680	3562	5126242	'30.0496	'-0.0293
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	5127680	3562	5131242	'30.0789	5122680	3562	5126242	'30.0496	'-0.0293
	Total (A)+(B)	17055688	3562	17059250	'100.0000	17055688	3562	17059250	'100.0000	'0.0000
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	17055688	3562	17059250	'100.0000	17055688	3562	17059250	'100.0000	

ii) Change in promoter's Shareholding (Please Specify, if there is no change)								
Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	FRONTLINE COMMERCIAL PVT. LTD.	1514102	8.8755	5.6405	1514102	8.8755	5.6405	0.0000
2	KAVERIDEVI JEETMAL MALU	1042487	6.1110	0.0000	1042487	6.1110	0.0000	0.0000
3	WISTARIA FARMS PRIVATE LTD	1033500	6.0583	6.0583	1033500	6.0583	6.0583	0.0000
4	VASUDEO MALU	726424	4.2582	4.2582	726424	4.2582	4.2582	0.0000
5	SHASHIKALA MALU	668753	3.9202	3.9126	668753	3.9202	3.9126	0.0000
6	SUNFLAME FUELS PVT. LTD	527255	3.0907	3.0907	527255	3.0907	3.0907	0.0000
7	MARIGOLD FARMS PVT. LTD.	412500	2.4180	2.4180	412500	2.4180	2.4180	0.0000
8	SUMAN MALU	403750	2.3668	2.3668	403750	2.3668	2.3668	0.0000
9	Punamchand Ramlal Malu	402208	2.3577	2.3577	402208	2.3577	2.3577	0.0000
10	BANWARILAL MALU	372912	2.1860	2.1860	372912	2.1860	2.1860	0.0000
11	Vasudeo Malu (HUF)	370117	2.1696	2.1696	370117	2.1696	2.1696	0.0000
12	Damodarlal Ramlal Malu	345833	2.0272	2.0272	345833	2.0272	2.0272	0.0000
13	GAJENDRA JEETMAL MALU	317032	1.8584	0.0000	317032	1.8584	0.0000	0.0000
14	NARAYAN BANWARILAL MALU	304340	1.7840	1.5755	304340	1.7840	1.5755	0.0000
15	Purushottam Ramlal Malu	302083	1.7708	1.7708	303083	1.7766	1.7708	0.3310
16	Shrawan Kumar Ramlal Malu	296790	1.7398	1.6609	299790	1.7573	1.6609	1.0108
17	MANISHA BANWARILAL MALU	262500	1.5388	1.5388	262500	1.5388	1.5388	0.0000
18	Bharat Shrawankumar Malu	320042	1.8761	0.0000	320042	1.8761	0.0000	0.0000
19	VENUGOPAL PUNAMCHAND MALU	217958	1.2777	1.2762	217958	1.2777	1.2762	0.0000
20	Radheshyam Purushottam Malu	221408	1.2979	1.2762	221408	1.2979	1.2762	0.0000
21	Ganpati Malu	181250	1.0625	0.0000	181250	1.0625	0.0000	0.0000

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			
		NO.OF  SHARES  HELD	% of total  Shares of the  company	%of Shares  Pledged  /encumbered to total shares	NO.OF  SHARES  HELD	% of total  Shares of the  company	%of Shares  Pledged/ encumbered to total shares	% change in  shareholding during the year
22	Anita Shrawankumar Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0.0000
23	Kaushalya Punamchand Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0.0000
24	Pushpa Damodarlal Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0.0000
25	Sushila Purushottam Malu	170833	1.0014	0.0000	170833	1.0014	0.0000	0.0000
26	Damodarlal Malu (HUF)	158333	0.9281	0.9281	158333	0.9281	0.9281	0.0000
27	PUNAMCHAND MALU { HUF }	158333	0.9281	0.9281	158333	0.9281	0.9281	0.0000
28	Purushottam Malu (HUF)	158333	0.9281	0.9281	158333	0.9281	0.9281	0.0000
29	Shrawankumar Malu (Huf)	158333	0.9281	0.9281	158333	0.9281	0.9281	0.0000
30	Banwarilal Malu (HUF)	129933	0.7617	0.7617	129933	0.7617	0.7617	0.0000
31	SOLAR CARBONS PVT LTD	96667	0.5667	0.5667	96667	0.5667	0.5667	0.0000
32	GHASIRAM JHUMARLAL MALU	50000	0.2931	0.2931	50000	0.2931	0.2931	0.0000
33	SHALINI VENUGOPAL MALU	50000	0.2931	0.0000	50000	0.2931	0.0000	0.0000
34	KANTADEVI SHREEVALLABH MALU	27000	0.1583	0.0000	27000	0.1583	0.0000	0.0000
35	Omprakash Jhumarlal Malu	14500	0.0850	0.0850	15500	0.0909	0.0850	6.8966
	<b>Total</b>	<b>11928008</b>	<b>69.9211</b>	<b>51.0029</b>	<b>11933008</b>	<b>69.9504</b>	<b>51.0029</b>	<b>0.0419</b>

<b>(iii) Change in Promoters Shareholding</b>							
Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	FRONTLINE COMMERCIAL PVT. LTD.	1514102	8.8755			1514102	8.8755
	AT THE END OF THE YEAR					1514102	8.8755
2	KAVERIDEVI JEETMAL MALU	1042487	6.1110			1042487	6.1110
	AT THE END OF THE YEAR					1042487	6.1110
3	WISTARIA FARMS PRIVATE LTD	1033500	6.0583			1033500	6.0583
	AT THE END OF THE YEAR					1033500	6.0583
4	VASUDEO MALU	726424	4.2603			726424	4.2582
	Transfer					726424	4.2582
	AT THE END OF THE YEAR					726424	4.2582
5	SHASHIKALA MALU	668753	3.9202			668753	3.9202
	AT THE END OF THE YEAR					668753	3.9202
6	SUNFLAME FUELS PVT. LTD	527255	3.0907			527255	3.0907
	AT THE END OF THE YEAR					527255	3.0907
7	MARIGOLD FARMS PVT. LTD.	412500	2.4180			412500	2.4180
	AT THE END OF THE YEAR					412500	2.4180
8	SUMAN MALU	403750	2.3668			403750	2.3668
	AT THE END OF THE YEAR					403750	2.3668
9	PUNAMCHAND RAMLAL MALU	402208	2.3577			402208	2.3577
	AT THE END OF THE YEAR					402208	2.3577
10	BANWARILAL MALU	372912	2.1860			372912	2.1860
	AT THE END OF THE YEAR					372912	2.1860
11	VASUDEO MALU (HUF)	370117	2.1696			370117	2.1696
	AT THE END OF THE YEAR					370117	2.1696
12	DAMODARLAL RAMLAL MALU	345833	2.0272			345833	2.0272
	Transfer			16 Aug 2019	(262500)		
	Transfer			30 Aug 2019	262500		
	AT THE END OF THE YEAR					345833	2.0272
13	BHARAT SHRAWANKUMAR MALU	320042	1.8761			320042	1.8761
	AT THE END OF THE YEAR					320042	1.8761
14	GAJENDRA JEETMAL MALU	317032	1.8584			317032	1.8584
	AT THE END OF THE YEAR					317032	1.8584
15	NARAYAN BANWARILAL MALU	304340	1.7840			304340	1.7840
	AT THE END OF THE YEAR					304340	1.7840
16	PURUSHOTTAM RAMLAL MALU	302083	1.7708			302083	1.7708
	Transfer			16 Aug 2019	(218750)	83333	0.4885
	Transfer			30 Aug 2019	218750	302083	1.7708
	Transfer			13 Mar 2020	66	302149	1.7712
	Transfer			20 Mar 2020	934	303083	1.7766
	AT THE END OF THE YEAR					303083	1.7766
17	SHRAWAN KUMAR RAMLAL MALU	296790	1.7398			296790	1.7398
	Transfer			16 Aug 2019	(213457)	83333	0.4885
	Transfer			30 Aug 2019	213457	296790	1.7398
	Transfer			18 Oct 2019	3000	299790	1.7573
	AT THE END OF THE YEAR					299790	1.7573
18	MANISHA BANWARILAL MALU	262500	1.5388			262500	1.5388
	AT THE END OF THE YEAR					262500	1.5388
19	RADHESHYAM PURUSHOTTAM MALU	221408	1.2979			221408	1.2979
	AT THE END OF THE YEAR					221408	1.2979
20	VENUGOPAL PUNAMCHAND MALU	217958	1.2777			217958	1.2777
	AT THE END OF THE YEAR					217958	1.2777
21	GANPATI MALU	181250	1.0625			181250	1.0625
	AT THE END OF THE YEAR					181250	1.0625
22	KAUSHALYA PUNAMCHAND MALU	170833	1.0014			170833	1.0014
	Transfer			16 Aug 2019	(137500)	33333	0.1954
	Transfer			30 Aug 2019	137500	170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
23	PUSHPA DAMODARLAL MALU	170833	1.0014			170833	1.0014
	Transfer			16 Aug 2019	(137500)	33333	0.1954
	Transfer			30 Aug 2019	137500	170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
24	SUSHILA PURUSHOTTAM MALU	170833	1.0014			170833	1.0014
	Transfer			16 Aug 2019	(137500)	33333	0.1954
	Transfer			30 Aug 2019	137500	170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
25	ANITA SHRAWANKUMAR MALU	170833	1.0014			170833	1.0014
	Transfer			16 Aug 2019	(137500)	33333	0.1954
	Transfer			30 Aug 2019	137500	170833	1.0014
	AT THE END OF THE YEAR					170833	1.0014
26	PURUSHOTTAM MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
27	PUNAMCHAND MALU { HUF }	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
28	DAMODARLAL MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
29	SHRAWANKUMAR MALU (HUF)	158333	0.9281			158333	0.9281
	AT THE END OF THE YEAR					158333	0.9281
30	BANWARILAL MALU (HUF)	129933	0.7617			129933	0.7617
	AT THE END OF THE YEAR					129933	0.7617
31	SOLAR CARBONS PVT LTD	96667	0.5667			96667	0.5667
	AT THE END OF THE YEAR					96667	0.5667
32	GHASIRAM JHUMARLAL MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
33	SHALINI VENUGOPAL MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
34	KANTADEVI SHREEVALLABH MALU	27000	0.1583			27000	0.1583
	AT THE END OF THE YEAR					27000	0.1583
35	OMPRAKASH JHUMARLAL MALU	14500	0.0850			14500	0.0850
	Transfer			06 Mar 2020	1000	15500	0.0909
	AT THE END OF THE YEAR					15500	0.0909

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 17059250 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



MGT-9 IV. Shareholding Pattern of Top Ten Shareholders							
Sr No.		Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	BIPS TRADECOM P. LTD	424011	2.4855			424011	2.4855
	AT THE END OF THE YEAR					424011	2.4855
2	SALASAR ALLOY & STEEL INDUSTRIES PVT. LTD	105330	0.6174			105330	0.6174
	Transfer			03 May 2019	130	105460	0.6182
	Transfer			17 May 2019	2370	107830	0.6321
	Transfer			12 Jul 2019	287	108117	0.6338
	Transfer			19 Jul 2019	4713	112830	0.6614
	Transfer			30 Aug 2019	1000	113830	0.6673
	Transfer			18 Oct 2019	3917	117747	0.6902
	Transfer			25 Oct 2019	2001	119748	0.7020
	Transfer			01 Nov 2019	1000	120748	0.7078
	Transfer			08 Nov 2019	1347	122095	0.7157
	Transfer			15 Nov 2019	653	122748	0.7195
	Transfer			22 Nov 2019	1000	123748	0.7254
	Transfer			06 Dec 2019	2000	125748	0.7371
	Transfer			20 Mar 2020	9967	135715	0.7956
	AT THE END OF THE YEAR					135715	0.7956
3	ASHOK KUMAR KISHORILAL DAMANI	132795	0.7784			132795	0.7784
	Transfer			13 Sep 2019	(3854)	128941	0.7558
	Transfer			30 Sep 2019	(1000)	127941	0.7500
	Transfer			04 Oct 2019	(2755)	125186	0.7338
	Transfer			27 Dec 2019	(2000)	123186	0.7221
	Transfer			10 Jan 2020	700	123886	0.7262
	Transfer			06 Mar 2020	2607	126493	0.7415
	AT THE END OF THE YEAR					126493	0.7415
4	CHOPRA NARPATKUMAR KEWALCHAND	72713	0.4262			72713	0.4262
	AT THE END OF THE YEAR					72713	0.4262
5	MALU ELECTRODES PVT. LTD	66637	0.3906			66637	0.3906
	AT THE END OF THE YEAR					66637	0.3906
6	BHAGIRATH HEDA	66750	0.3913			66750	0.3913
	Transfer			23 Aug 2019	2398	69148	0.4053
	Transfer			29 Nov 2019	499	69647	0.4083
	Transfer			03 Jan 2020	(2300)	67347	0.3948
	Transfer			17 Jan 2020	(2000)	65347	0.3831
	Transfer			24 Jan 2020	(2500)	62847	0.3684
	AT THE END OF THE YEAR					62847	0.3684
7	MANOJ KHANDERIA	65622	0.3847			65622	0.3847
	Transfer			17 May 2019	(4300)	61322	0.3595
	Transfer			14 Jun 2019	(3400)	57922	0.3395
	Transfer			30 Aug 2019	(1000)	56922	0.3337
	Transfer			13 Sep 2019	(2000)	54922	0.3219
	AT THE END OF THE YEAR					54922	0.3219
8	GOVIND D BAJAJ	22000	0.1290			22000	0.1290
	Transfer			31 May 2019	(945)	21055	0.1234
	Transfer			07 Jun 2019	1945	23000	0.1348
	Transfer			02 Aug 2019	1000	24000	0.1407
	Transfer			09 Aug 2019	1000	25000	0.1465
	Transfer			13 Sep 2019	(4000)	21000	0.1231
	Transfer			04 Oct 2019	(3000)	18000	0.1055

MGT-9 IV. Shareholding Pattern of Top Ten Shareholders							
Sr No.		Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			18 Oct 2019	5000	23000	0.1348
	Transfer			25 Oct 2019	2000	25000	0.1465
	Transfer			01 Nov 2019	1000	26000	0.1524
	Transfer			15 Nov 2019	1000	27000	0.1583
	Transfer			22 Nov 2019	1544	28544	0.1673
	Transfer			29 Nov 2019	456	29000	0.1700
	Transfer			13 Dec 2019	(2500)	26500	0.1553
	Transfer			20 Dec 2019	(4500)	22000	0.1290
	Transfer			17 Jan 2020	4000	26000	0.1524
	Transfer			24 Jan 2020	(1500)	24500	0.1436
	Transfer			31 Jan 2020	(500)	24000	0.1407
	Transfer			07 Feb 2020	11000	35000	0.2052
	Transfer			14 Feb 2020	(2000)	33000	0.1934
	Transfer			21 Feb 2020	1000	34000	0.1993
	Transfer			28 Feb 2020	3000	37000	0.2169
	Transfer			06 Mar 2020	4000	41000	0.2403
	Transfer			13 Mar 2020	4000	45000	0.2638
	Transfer			20 Mar 2020	4000	49000	0.2872
	Transfer			27 Mar 2020	3000	52000	0.3048
	Transfer			31 Mar 2020	(1000)	51000	0.2990
	AT THE END OF THE YEAR					51000	0.2990
9	BRIJMOHAN SHRIVALLABH MALU	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931
10	Shruti Radheshyam Malu	50000	0.2931			50000	0.2931
	AT THE END OF THE YEAR					50000	0.2931

**v) Shareholding of Directors and Key Managerial personnel**

Sr. No.	Name	Shareholding at the beginning of the year					Cumulative Shareholding during the year	
		Number of shares held	% of the total Shares of the Company	Date	Increase / Decrease Shareholdin	Reason	No. of Shares	% of the total Shares of the Company
1	DAMODARLAL MALU	345,833	2.03	01/04/2019		Nil movement		
	Chairman & Non Executive	345,833	2.03	31/03/2020				
2	PUNAMCHAND MALU	402,208	2.36	01/04/2019		Nil movement		
	Managing Director	402,208	2.36	31/03/2020				
3	BANWARILAL MALU	372,912	2.19	01/04/2019		Nil movement		
	Jt. Managing Director	372,912	2.19	31/03/2020				
4	VASUDEO MALU	726,424	4.26	01/04/2019		Nil movement		
	Non Executive Director	726,424	4.26	31/03/2020				
5	Chandrakant Thakkar	2,232	0.01	01/04/2019		Nil movement		
	Non Executive Director	2,232	0.01	31/03/2020				
6	Satyanarayan Rathi	-	-	01/04/2019		Nil movement		
	Non Executive Director	-	-	31/03/2020				
7	Shyamsunder Sarda	-	-	01/04/2019		Nil movement		
	Non Executive Director	-	-	31/03/2020				
8	Shrutika Inani	-	-	01/04/2019		Nil movement		
	Non Executive Director	-	-	31/03/2020				
9	Girish Malpani	-	-	01/04/2019		Nil movement		
	CFO	-	-	31/03/2020				
10	Mayuri Asawa	-	-	01/04/2019		Nil movement		
	CS	-	-	31/03/2020				

Mr. Girish Malpani resigned as Chief Financial Officer on 4th February, 2020

## V INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment.

	Particulars	Secured Loans Excluding deposits	unsecured loans	deposits	Total indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
i	Principal Amount	280,804,529.00	493,400,000.00	-	774,204,529.00
ii	Interest due but not paid	-		-	-
iii	Interest accrued but not due	-		-	-
	Total (i+ii+iii)	280,804,529.00	493,400,000.00	-	774,204,529.00
	Change in Indebtedness during the financial year				
	Addition	-	46,200,000.00	-	46,200,000.00
	Reduction	(63,995,544.51)		-	(63,995,544.51)
	<b>Net change</b>	(63,995,544.51)	46,200,000.00	-	(17,795,544.51)
	<b>Indebtedness at the end of the financial year</b>				
i	Principal Amount	216,808,984.49	539,600,000.00	-	756,408,984.49
ii	Interest due but not paid	-		-	-
iii	Interest accrued but not due	-		-	-
	Total (i+ii+iii)	216,808,984.49	539,600,000.00	-	756,408,984.49

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A Remuneration to Managing Director, Joint Managing Director and/or Manager**

sl no	Particulars of	Name of MD/ JMD		
		Punamchand Malu	Banwarilal Malu	Total Amount
1	Gross Salary	24,00,000	24,00,000	48,00,000
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
	Total (A)	24,00,000	24,00,000	48,00,000

**This is minimum remuneration as per Schedule V of the Companies Act, 2013.**

**B Remuneration to other Directors**

sl no	Particulars of Remuneration	Name of Directors						Total Amount
		Chandrakant Thakar	Satyanarayan Rathi	Shyamsunder Sarda	Shrutika Inani	Damodarlal Malu	Vasudeo Malu	
<b>1</b>	<b>Independent Directors</b>							
-	For attending Board/ Committee Meetings	25,000	20,000	10,000	20,000	-	-	75,000
-	Commission	-	-	-	-	-	-	-
-	Others*	17,700	17,700	17,700	17,700	-	-	70,800
	Total (1)	<b>42,700</b>	<b>37,700</b>	<b>27,700</b>	<b>37,700</b>	<b>-</b>	<b>-</b>	<b>145,800</b>
<b>2</b>	<b>Other Non Executive</b>							
-	For attending Board/ Committee Meetings	-	-	-	-	20,000	25,000	45,000
-	Commission	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-
	Total (2)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>25,000</b>	<b>45,000</b>
	Total B (1+2)	<b>42,700</b>	<b>37,700</b>	<b>27,700</b>	<b>37,700</b>	<b>20,000</b>	<b>25,000</b>	<b>190,800</b>

**Note:** Shri Damodarlal Malu is related to Shri Punamchand Malu (Brother) and Shri Banwarilal Malu is related to Shri Vasudeo Malu (Brother).

Except sitting fees for meetings of Board or its Committees, independent directors and non-executive directors are not paid any salary, benefits, bonuses, stock options, pension etc. There is no contract, Notice period or severance fees applicable. Stock Option details - Not applicable as the same is not given.

\*Independent directors databank registration fees is paid by the company.

**C Remuneration to Key Managerial Personnel**

Sl No	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		Girish Malpani, CFO	Mayuri Asawa, CS	
1	Gross Salary	3,108,330	240,000	3,348,330
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
	Total (A)	<b>3,108,330</b>	<b>240,000</b>	<b>3,348,330</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of penalty/ Punishment/ Compounding Fees imposed	Authority (RD/ NCLT/ COURT)	Appeal Made, if any (give details)
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**A. COMPANY**

Penalty

Punishment

Compounding

**B. DIRECTORS**

Penalty

Punishment

Compounding

**C. OTHER OFFICERS IN DEFAULT**

Penalty

Punishment

Compounding

To Directors Report 2020

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE**

Information as required under the Companies Act, 2013 is given hereunder:

**A. Conservation of energy**

	<b>Power &amp; Fuel Consumption</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Electricity (Purchased) Units	1,28,07,421	1,40,96,752
	Total Amount	10,18,07,623	9,91,17,639
	Rate per Unit	7.95	7.03
2	Electricity (Generated ) Units	3,82,03,200	3,66,81,900
	Diesel consumed in Liters	-	-
	Total Amount	-	-
	Rate per Unit	-	-
3	Total Units consumed	5,10,10,621	5,07,78,652

**B. Consumption per unit of production**

<b>Quality</b>		<b>Kwh/MT</b>	<b>Kwh/MT</b>
Kraft Paper	:	288.28	307.42
Newsprint, Writing & Printing Paper	:	893.33	925.19

**C. Energy conservation measures**

- Installation of energy efficient LED lamps in Plant and common lighting area by replacement of copper ballasts thereby saving in consumption of electricity.
- Optimization of pipeline sizes and routing of pipes to reduce the running load of pump motors.
- Using Biomass fuel in the captive power plants and in process boilers to reduce green house gas emissions.

**B. Technology absorption and research and development*****(1) Research and Development:***

Technical discussion and presentation by the suppliers to the technical staff for upgrading the systems and adopt industrial best practices and sharing of R & D knowledge of the equipment suppliers was done during the year.

**(2) R & D Expenditure****Amount in Rs****31st March, 2020****31st March, 2019**

(a) Capital

NIL

NIL

(b) Revenue

(c) Total

(d) Total R&amp;D expenditure as % of Total Turnover

**(3) Technology absorption, adaption and innovation***(a)* Efforts in brief made towards technology absorption, adaption and innovation:

- Updation of process and investment in new age products and advanced equipments was done in the plants to improvise the process.
- Regular interaction with equipment designers and manufacturers for improvements to processing and operating parameters.

*(b)* Benefits derived as a result of above efforts.

- The Company has benefited by increasing the output due to induction of new and advanced equipments.

*(b)* The company has not imported technology during the last 8 years reckoned from the beginning of the financial year.**C. Foreign Exchange Earning and Outgo***(a)* Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The company has successfully marketed its product in the China Market and continues to sell its product in its existing markets in Africa and Asia.

*(b)* Information in respect of Foreign Exchange Earning and Outgo is:

	<b>Amount in Rs</b>	
	<b>Current Year</b>	<b>Previous Year</b>
Earning	14,13,58,109	18,87,80,569
Outgoing	16,56,94,346	29,18,96,332

Date : 31/07/2020

Place : Nagpur

**By Order of Board of Directors**

**Punamchand Malu**  
**Managing Director & CEO**  
**(DIN:00301030)**

**Banwarilal Malu**  
**Jt. Managing Director**  
**(DIN:00301297)**



**Annual Report on Corporate Social Responsibility (“CSR”) activities**

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 web link to the CSR Policy and projects or programs:

The Company seeks to focus on a few areas of social initiatives, where it believes; it can reduce inequalities faced by socially and economically backward groups and add significant value to protect the culture by way of restoration of buildings and sites of historical importance. The CSR Policy as approved by the Board is available on the Company’s website and can be accessed through the web link <http://malupaper.com/pdf/CSR%20POLICY.pdf>.

During the year, the Company has undertaken following projects/initiatives:

a) Shri Malu Seva Sadan, Salasar

2. The Company has constituted Corporate Social Responsibility Committee (“the Committee”) comprising of following three Directors out of which one Director is an Independent Director:

<b>Sr. No.</b>	<b>Name of the Committee Member</b>	<b>Nature of Directorship in the Company</b>
1	Shri Punamchand Malu	Managing Director & CEO
2	Shri. Banwarilal Malu	Jt Managing Director
3	Shri Satyanarayan Rathi	Independent Director

3. Average net profit of the Company for the last three financial years:  
Rs. 55,281,360/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):  
Rs.1,151,000/-
5. Details of CSR spent during the financial year:
  - a) Total amount to be spent in the financial year:11,51,000/-
  - b) Amount unspent, if any: 6,00,000/-

**Details of amount spent on CSR activities during the financial year 2019-20**

CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget)	Amount spent on the projects	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
Shri Malu Seva Sadan, Salasar	For reducing inequalities faced by socially and economically backward groups	Shri Malu Seva Sadan, Salasar District-Churu -331506 Rajasthan	11,51,000/-	5,51,000/-	5,51,000/-	Entire amount spent directly by the Company

**CSR Committee Responsibility Statement**

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

Date : 31/07/2020  
Place : Nagpur

**On behalf of Board of Directors**

**Punamchand Malu**  
**Managing Director & CEO**  
**(DIN:00301030)**

**Banwarilal Malu**  
**Jt. Managing Director**  
**(DIN:00301297)**

## CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on the Corporate Governance for the financial year 2019-20 as incorporated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Your company believes that good Corporate Governance brings about sustained growth and long term benefits for shareholders. The Company's broad policies of Corporate Governance and viz. transferability, professionalism and accountability are the guiding principles of management of the company aiming to the aspiration of the stakeholders.

### 2. BOARD OF DIRECTORS:

- a. The Board of Directors comprises optimum mix of Six Non-Executive Directors and two Executive Directors as on 31<sup>st</sup> March. The Board monitors performance of the Company, approves and receives policies / strategies and evaluate management performance. The Board ensures legal and ethical conduct and accurate financial reporting. The Chairman of the Board is Non-Executive Director.

i)	<b>Non-Executive Directors:</b>	<b>DIN</b>
a)	<b>Promoter Group</b>	
	1 Shri Damodarlal Malu, Chairman	00301120
	2 Shri Vasudeo Malu	00301313
b)	<b>Independent</b>	
	1 Shri Satyanarayan Rathi	01797378
	2 Shri Chandrakant Thakar	00784189
	3 FCA Shrutika Inani	06937649
	4 Shri Shyamsunder Sarda	02399265
ii)	<b>Executive Directors:</b>	
	1 Punamchand Malu	00301030
	2 Banwarilal Malu	00301297

- b. Attendance of each Director at the meetings of Board of Directors held during the financial year 2019-20, last Annual General Meeting and the Number of Directorships and memberships of Committees of each Director in various Companies during the period under review is as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	Relationship with other directors
Shri Punamchand Malu	Executive	5	YES	Brother of Shri Damodarlal Malu
Shri Banwarilal Malu	Executive	5	YES	Brother of Shri. Vasudeo Malu

Shri Damodarlal Malu	Chairman, Non-Executive, Non-Independent	4	YES	Brother of Shri Punamchand Malu
Shri Vasudeo Malu	Non-Executive, Non-Independent	5	YES	Brother of Shri Banwarilal Malu
Shri Satyanarayan Rathi	Non-Executive, Independent	4	YES	-
Shri Chandrakant Thakar	Non-Executive, Independent	5	YES	-
FCA Shrutika Inani	Non-Executive, Independent	4	YES	-
Shri Shyamsunder Sarda	Non-Executive, Independent	2	NO	-

- c. The Board of Directors meets at least once a quarter to review the Company's performance and financial results and more often, if necessary, to transact other business. 05 (Five) meetings of Board of Directors were held on 20/05/2019, 12/08/2019, 03/09/2019, 07/11/2019 and 13/02/2020 during the financial year.

**d. Number Of Directorships/Committee Positions Of Directors As On 31 March 2020**

Name of Director	Directorships			Committee positions in listed and unlisted public limited companies*		Directorship in listed entity and the category of Directorship
	In equity listed companies	In unlisted public limited companies	In private limited companies	As Member	As Chairman	
Shri Punamchand Malu	1	-	2	-	-	Malu Paper Mills Limited- Executive Managing Director & CEO
Shri Banwarilal Malu	1	-	3	1	0	Malu Paper Mills Limited- Jt Managing Director
Shri Damodarlal Malu	1	-	4	-	-	Malu Paper Mills Limited- Chairman & Non Executive Director
Shri Vasudeo Malu	1	-	1	-	-	Malu Paper Mills Limited- Non Executive Director
Shri Satyanarayan Rathi	1	-	-	2	1	Malu Paper Mills Limited- Non Executive Independent Director

Shri Chandrakant Thakar	1	1	1	2	-	Malu Paper Mills Limited- Non Executive Independent Director
FCA Shrutika Inani	1	-	-	1	1	Malu Paper Mills Limited- Non Executive Independent Director
Shri Shyamsunder Sarda	1	-	-	1	0	Malu Paper Mills Limited- Non Executive Independent Director

\* This covers Membership / Chairmanship of 'Audit Committee' and 'Stakeholders Relationship Committee' in all Public limited Companies (including Malu Paper Mills Limited) as per Regulation 26(1)(b) of Listing Regulations

**e. Number Of Shares And Convertible Instruments Held By Non- Executive Directors;**

Except below mentioned, none of the non-Executive Directors hold any equity shares in the Company:

S. no	Name and designation of the Director	No. of Shares held
<b>1</b>	Shri Damodarlal Malu, Chairman & Non Executive Director	3,45,833
<b>2</b>	Shri Vasudeo Malu, Non Executive Director	7,26,424
<b>3</b>	Shri Chandrakant Thakar, Non Executive Independent Director	2,232

**f. Familiarization Policy**

Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The Policy is available on the website of the company [www.malupaper.com](http://www.malupaper.com)

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time to the Board of Directors regularly.

**g. Core Skill/Expertise/Competencies**

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

**Chart/Matrix of such core skills/expertise/competencies identified by the Board as requirement for the Company is given below:-**

Name of the Director	Management and Strategy	Information Technology, Systems and Computers	Global Business Leadership	Human Resources and Industrial Relations	Sales, Marketing and International Business	Finance and Taxation	Law	Corporate Governance and Ethics	Economics and Statistics
Shri Damodarlal Malu	✓	✓	✓				✓	✓	✓
Shri Punamchand Malu	✓	✓	✓	✓	✓			✓	✓
Shri Banwarilal Malu	✓	✓	✓	✓	✓	✓		✓	✓
Shri Vasudeo Malu	✓	✓	✓		✓			✓	✓
Shri Satyanarayana Rathi	✓	✓	✓					✓	✓
Shri Chandrakant Thakar	✓	✓	✓			✓	✓	✓	✓
FCA Shrutika Inani	✓	✓	✓			✓	✓	✓	✓
Shri Shyamsunder Sarda	✓	✓	✓					✓	✓

h. The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

- i. During the year under review, there was no resignation of an independent director.

### 3. AUDIT COMMITTEE:

The Audit Committee as on 31-03-2020 comprised of three independent Non-Executive Directors namely FCA Shrutika Inani (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Chandrakant Thakar.

FCA Shrutika Inani is Chartered Accountant and possessed expert knowledge in the area of finance and accounting.

The terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that inter-alia include overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control systems with the management and adequacy of internal audit functions, discussions with auditors about the scope of audit including the observations of the auditors and discussion with internal auditors on any significant findings. The Committee also recommends to the Board the remuneration payable to the Executive Directors.

During the year under review 04 (Four) meetings were held on 20/05/2019, 12/08/2019, 07/11/2019 and 13/02/2020. The following table gives attendance record:

Sl. No.	Name of the Members of Audit Committee	Number of Meetings held	Number of Meetings attended
1	FCA Shrutika Inani	4	4
2	Shri Satyanarayan Rathi	4	3
3	Shri Chandrakant Thakar	4	4

### 4. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee as on 31-03-2020 comprised of three independent Non-Executive Directors namely Shri Chandrakant Thakar (Chairman of the Committee), Shri Satyanarayan Rathi and Shri Shyamsunder Sarda.

The Committee has been constituted to recommend remuneration of executive Directors, formulation of criteria for evaluation of Independent Director, Identifying persons who are qualified to become Directors and who may be appointed in senior management and recommendation to the Board for their appointment and removal.

The Committee met on 12/08/2019 in which three directors were respectively present.

Sl. No.	Name of the Members of Shareholders' Grievance Committee	Number of Meetings held	Number of Meetings attended
1	Shri Satyanarayan Rathi	1	1
2	Shri Chandrakant Thakar	1	1
3	Shri Shyamsunder Sarda	1	0

## 5. REMUNERATION OF DIRECTORS:

- i. During the financial year 2019-20, the Company has made the following payments to the Non-executive Directors/Independent directors:

Sr.no	Name of Director	Sitting Fees (Rs.)
1.	Shri Damodarlal Malu	20,000/-
2.	Shri Vasudeo Malu	25,000/-
3.	Shri. Chandrakant Thakar	42,700/-
4.	Shri. Shyamsunder Sarda	27,700/-
5.	Shri. Satyanarayan Rathi	37,700/-
6.	FCA. Shrutika Inani	37,700/-

ii. **CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:**

- a) All the remuneration of the Non- Executive Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b) The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

- iii. Details of Remuneration paid to the Managing Director and Joint Managing Director for the year ended 31 March, 2020.



Total remuneration paid to the Managing Director and Joint Managing Director during the financial year 2019-20 was as under:

<b>Name</b>	<b>Designation</b>	<b>Salary (Rs.)</b>	<b>Commission (Rs.)</b>	<b>Contribution to Provident and Pension Fund (Rs.)</b>
Shri. Punamchand Malu	Managing Director	24,00,000/-	Nil	Nil
Shri. Banwarilal Malu	Joint Managing Director	24,00,000/-	Nil	Nil

## **6. SHAREHOLDERS' GRIEVANCE COMMITTEE:**

The Shareholders' Grievance Committee as on 31<sup>st</sup> March 2020 comprised of three Directors i.e. Mr. Satyanarayan Rathi (Chairman of the Committee), Mr. Chandrakant Thakar and Mr. Banwarilal Malu. Ms. Mayuri Asawa, Company Secretary has been appointed as the Compliance Officer of the Company as per Regulation 6 of the SEBI Listing Regulations to discharge all duties under the said SEBI Listing Regulations.

The shareholder grievance committee has been constituted to attend to and redress the shareholders / investors grievances in matters such as transfer of shares, non receipts of annual reports, dematerialization of shares etc.

The Company and the Link Intime India Pvt. Ltd., the RTA of the Company attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges etc. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the satisfaction of the investors.

During the year under review, the Company has received 01 complaint from applicant/shareholder, which inter-alia included non-receipt of Annual Report and the complaints was duly taken into consideration and reply has been filed on the same. No complaint was pending as on March 31, 2020.

The Committee met on 03/09/2019 in which three directors were respectively present.

<b>Sl. No.</b>	<b>Name of the Members of Shareholders' Grievance Committee</b>	<b>Number of Meetings held</b>	<b>Number of Meetings attended</b>
1	Shri Satyanarayan Rathi	1	1
2	Shri Chandrakant Thakar	1	1
3	Shri Banwarilal Malu	1	1

## **7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee has been formed pursuant to Section 135 comprising of following three Directors namely Shri Punamchand Malu (Chairman of the Committee & Managing Director of the Company), Shri Banwarilal Malu (Member of the Committee & Jt. Managing Director of the Company) and Shri Satyanarayan Rathi (Member & Independent Director):

The Committee has been constituted to Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy; to monitor the Corporate Social Responsibility Policy of the Company from time to time and to perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

<b>Sl. No.</b>	<b>Name of the Members of Shareholders' Grievance Committee</b>	<b>Number of Meetings held</b>	<b>Number of Meetings attended</b>
1	Shri Punamchand Malu	2	2
2	Shri Banwarilal Malu	2	2
3	Shri. Satyanarayan Rathi	2	2

#### **8. MEETING OF INDEPENDENT DIRECTORS:**

During The year under review, all the Independent Directors of the Company met on 20<sup>th</sup> May, 2019, to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### **9. GENERAL BODY MEETINGS**

The last three Annual General Meetings (AGMs) were held at Registered Office of the Company at Heera Plaza, 4th Floor, Near Telephone Exchange, Central Avenue, Nagpur – 440 008

<b>Financial year ended</b>	<b>Date &amp; Time</b>	<b>Nature</b>	<b>Special Resolutions passed</b>
31 March, 2019	27 <sup>th</sup> day of September, 2019 at 3:00 p.m	Annual General Meeting	<ul style="list-style-type: none"> <li>To Re-appoint Shri Satyanarayan Rathi (DIN 01797378) as an Independent Director for a second term of five consecutive years.</li> <li>To Re-appoint Shri. Shyam sunder Sarda (DIN 02399265) as an Independent Director for a second term of five consecutive years.</li> <li>To Re-appoint FCA. Shrutika Inani (DIN 06937649) as an Independent Director for a second term of five consecutive years.</li> <li>Continuance of Directorship of Shri Chandrakant Thakar (DIN 00784189(Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)</li> <li>To Re-appoint Shri Chandrakant</li> </ul>

			Thakar (DIN 00784189) as an Independent Director for a second term of five consecutive years.
31 March, 2018	21st day of September, 2018 at 3:00 p.m	Annual General Meeting	<ul style="list-style-type: none"> <li>To Increase the remuneration of Managing Director</li> <li>To Increase the remuneration of Joint Managing Director</li> <li>To Increase the remuneration of Vice President(Purchase)</li> </ul>
31 March, 2017	27th day of September, 2017 at 3:00 p.m	Annual General Meeting	<ul style="list-style-type: none"> <li>To approve the remuneration of the Cost Auditors</li> </ul>

During the financial year 2019-20 under review, no resolutions were passed by the shareholders through postal ballot. No resolution is proposed to be passed through postal ballot.

## MEANS OF COMMUNICATION

We regularly interact with the shareholders through the multiple channels of communication such as publication of notices, results, annual Reports and our website at [www.malupaper.com](http://www.malupaper.com)

- All the communication, may it be results or notices etc, by way of News Papers is published in Loksatta, a Marathi daily newspaper in [Maharashtra](#) and Indian express - The English newspaper published in Nagpur.
- Financials are furnished to BSE and NSE within the time specified under Regulation 33 of SEBI(LODR) Regulations, 2015 and simultaneously, they are also put on the Company's website can be accessed at <http://malupaper.com/investor-relations.aspx>
- Event based news releases are posted on our website and also furnished to the Stock Exchange.
- No presentations were made to institutional investors or to the analysts during the financial year under review.
- The company promptly informs Stock Exchange about all the price sensitive information and all such other matters which in our opinion are material and relevant for the shareholders.
- The Company's website: <http://malupaper.com/investor-relations.aspx> contains separate section for investors where shareholders information is made available.

## GENERAL SHAREHOLDERS INFORMATION

### a. Twenty seventh Annual General Meeting:

Date : 24<sup>th</sup> September, 2020.

Time : 3.00 PM

Venue : Pursuant to the Circular No: 20/2020 dated May 5, 2020 of Ministry of Corporate Affairs, the AGM will be conveyed through Video Conferencing / Other audio-visual means.

### Dates of Book Closure:

17<sup>th</sup> September 2020 to 24<sup>th</sup> September 2020 (both days inclusive).

**b. Financial Calendar of the Company:**

The Financial Year covers the period from 1 April, 2020 to 31 March, 2021.

Financial Reporting for 20-2021 (Tentative\*)

Unaudited Financial results for the quarter ending	30-06-2020	July, 2020
Unaudited Financial results for the quarter ending	30-09-2020	November, 2020*
Unaudited Financial results for the quarter ending	31-12-2020	February, 2021*
Unaudited Financial results for the quarter ending	31-03-2021	May, 2021*

**c. Dividend Payment date:**

No final dividend for FY 2019-20 is proposed by the Board.

**d. Listing on Stock Exchanges:**

The equity shares of the Company are listed on The Bombay Stock Exchange Limited and the National Stock Exchange of India. The requisite annual listing fees for the year 2020-21 have been paid in full to the Stock Exchanges.

**e. Stock Code:**

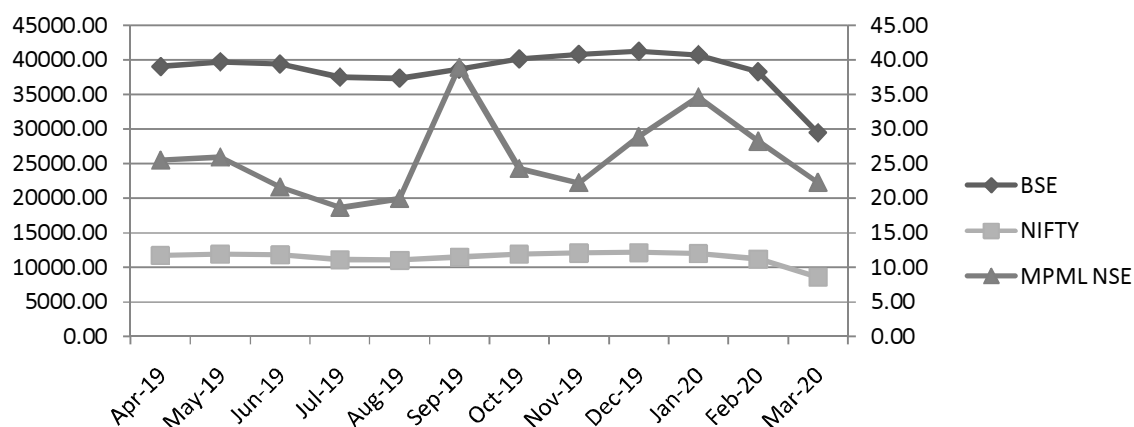
ISIN (Equity Shares) in NSDL and CDSL - INE383H01017  
 The Bombay Stock Exchange Ltd. -532728  
 National Stock Exchange of India Ltd. -MALUPAPER

**f. Market Price Data**

The details of monthly high and low quotations of the equity shares of the Company traded at BSE and NSE from April 01, 2019 to March 31, 2020 are given below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2019	27.60	23.35	27.40	23.50
May, 2019	28.00	22.40	28.20	21.90
June, 2019	26.45	20.90	26.80	20.75
July, 2019	22.70	18.25	22.10	18.15
August, 2019	26.40	18.40	24.50	18.00
September, 2019	38.90	19.00	38.95	18.90
October, 2019	40.80	23.60	40.85	23.75
November, 2019	24.95	20.70	25.50	20.55
December, 2019	31.60	22.10	31.35	22.00
January, 2020	37.80	27.60	37.80	27.30
February, 2020	37.90	28.25	37.95	28.05
March, 2020	30.20	19.10	30.40	19.00

**g. Stock Performance of the Company in comparison to BSE Sensex and NSE Nifty  
(Share Price Movement)**



#### h. Registrar and Transfer Agents:

Link Intime Private Limited  
C- 101, 247 Park, LBS Marg, Vikroli (W)  
Mumbai 400 083 (MS)  
Tel. No. 022-49186000  
Fax No. 022- 49186060  
Email: info@linkintime.co.in

#### i. Share Transfer System:

All the transfers received are processed by the Registrar and Transfer Agent and are approved by the Stakeholders Relationship Committee constituted in this behalf.

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the document, provided the documents are valid and complete in all respects.

The Company obtains from a Company Secretary in practice a Half-Yearly Certificate of compliances with the share transfer formalities and files a copy of the Certificate with the Stock Exchange(s).

#### j. Distribution of Equity Shareholding as on 31-03-2020:

Shareholding of Shares			Share holders		Total Shares	
			Number	%	Shares	%
1	-	500	5073	80.0789	742763	4.3540
501	-	1000	625	9.8658	515613	3.0225
1001	-	2000	277	4.3725	428474	2.5117
2001	-	3000	95	1.4996	240142	1.4077
3001	-	4000	48	0.7577	171136	1.0032
4001	-	5000	31	0.4893	148839	0.8725
5001	-	10000	73	1.1523	546686	3.2046
10001	And	Above	113	1.7837	14265597	83.6238
<b>TOTAL</b>			<b>6335</b>	<b>100.0000</b>	<b>1,70,59,250</b>	<b>100.0000</b>

**k. Shareholding Pattern as on 31-03-2020:**

Category	No. of Shares held	% of Share holding
Individual/HUF promoters	8348984	48.94
Promoters Corporate Bodies	3584024	21.01
Indian Public	5087517	29.82
NRI's	38725	0.23
<b>TOTAL</b>	<b>17,059,250</b>	<b>100.00</b>

**l. Dematerialisation of Shares:**

As at 31st March 2020, 170,55,688 (99.97%) of total equity capital was held in Electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares have to be compulsorily traded in the electronic form. Requests for dematerialisation of shares are processed and confirmed within 7 days. No GDRs, ADRs or warrants have been issued by the Company.

**m. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity**

Not applicable as the Company has not made any such issue.

**n. Commodity price risk or foreign exchange risk and hedging activities:**

During the year under review, the Company was not exposed to any significant Foreign Exchange Risk and hence there was no need to enter into any Hedging arrangements.

**o. Registered Office and Address of Correspondence :**

Heera Plaza, 4<sup>th</sup> Floor,  
Near Telephone Exchange,  
Central Avenue,  
Nagpur – 440 008 (MS)  
Tel. No: (0712) 2760308; 2778506  
Fax. No. (0712) 2760310  
Email: [info@malupaper.com](mailto:info@malupaper.com) ; [contacts@malupaper.com](mailto:contacts@malupaper.com)

**p. Plant Locations:****Kraft Division**

Village: Borujwada,  
Taluka: Saoner  
Saoner Road.  
District: Nagpur.

**Newsprint & Writing Printing Division**

Village: Heti Surla  
Taluka: Saoner  
Nagpur Bhopal Highway  
District: Nagpur.

**q. The Company has obtained the revised credit rating from CRISIL during the year on the Bank Facilities of the Company from CRISIL BB/STABLE” to “CRISIL BB/STABLE”.****10. OTHER DISCLOSURES:**

- I. There are no materially significant related party transactions of the Company, which have a potential conflict with the interest of the company at large.

The Policy on related party transactions as approved by the Board may be viewed on the Company's website at the web link: [www.malupaper.com](http://www.malupaper.com)

II. **Details of non-compliances, penalties and strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years:**

Penalty has been paid to NSE during the year under review for rejection of request for waiver of fine with regard to the non-compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('listing regulations') for quarter ended December 31, 2017

III. **Whistleblower Policy**

The Company has implemented the vigil mechanism policy to report genuine concerns. The policy provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

During the year, none of such personnel have been denied access to the audit committee. The whistle bower policy of the Company can be accessed through its website [www.malupaper.com](http://www.malupaper.com)

IV. **Details of compliances with mandatory requirements of corporate governance and adoption of nonmandatory requirements:**

All mandatory requirements of corporate governance have been complied with.

V. **Subsidiary:**

The Company does not have any Material Non-Listed Indian Subsidiary as defined under Regulation 16 of SEBI Listing Regulations.

VI. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

During the year under review, the Company has not raised any amount through preferential allotment or qualified institutional placement.

VII. **Certificate from a company secretary in practice:**

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from a Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate forms part of this report.

VIII. **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:**

There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.

- IX. Total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditors, M/s. R.A Kuvadia, Chartered accountants is Rs. 3,54,000/- (Inclusive of GST).

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

The details relating to the same are provided in the Board's report.

- XI. **Non-compliance of any requirement of corporate governance report, with reasons thereof:**

All the corporate governance requirements are complied with to the extent applicable to the Company.

- XII. **Disclosures of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:**

<b>Regulation</b>	<b>Particulars of regulations</b>	<b>Compliance</b>
17	Board of directors	<b>Yes</b>
18	Audit committee	<b>Yes</b>
19	Nomination and Remuneration committee	<b>Yes</b>
20	Stakeholders Relationship committee	<b>Yes</b>
21	Risk Management committee	<b>N.A</b>
22	Vigil mechanism	<b>Yes</b>
23	Related party transactions	<b>Yes</b>
24	Corporate Governance requirements with respect to Subsidiary of listed entity	<b>N.A</b>
25	Obligations with respect to Independent directors (to the extent applicable)	<b>Yes</b>
26	Obligation with respect to Directors and Senior Management (to the extent applicable)	<b>Yes</b>
27	Other Corporate Governance requirements (to the extent applicable)	<b>Yes</b>
46(2)(b) to (i)	Website	<b>Yes</b>



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

To,  
**The Board of Directors**  
**Malu Paper Mills Ltd.**

Pursuant to the provisions of Regulation 17(8) of the Listing Regulations, we hereby certify that

- (a) we have reviewed financial statements and the cash flow statement for the financial year 2019-20 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 31/07/2020

Place : Nagpur

**Punamchand Malu**  
Managing Director & CEO

**Prakash Modi**  
CFO

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To,  
The Members of Malu Paper Mills Limited

I, Punamchand Malu, Managing Director & CEO of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2020.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means the Chief Financial Officer, \*\*Shri. Girish Malpani and the Company Secretary, Ms. Mayuri Asawa as on March 31, 2020.

Date : 31/07/2020  
Place : Nagpur

**Punamchand Malu**  
**Managing Director & CEO**

\*\*Shri Girish Malpani resigned as CFO w-e-f 04-02-2020



**R. A. KUVADIA & CO.**  
CHARTERED ACCOUNTANTS

1/7, Chaitanya Society, Vakola Bridge,  
Santacruz (East), Mumbai - 400 055.  
Tel.: 022-2668 0488 / 022-2668 1719  
Mobile : +91 8369514810  
E-mail : rashmikanca@yahoo.co.in  
cakuvadia@gmail.com

In Reply Please Quote

**Auditors' Certificate on compliance with the conditions of Corporate Governance for the year ended March 31, 2020, as stipulated in Regulations under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
**The Members**  
**Malu Paper Mills Limited**

We have examined the compliance of corporate governance by Malu Paper Mills Limited ("the Company") for the year ended on March 31, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period ended on March 31, 2020;

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we 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, 2020.

We 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.

**For R. A. Kuvadia & Co.  
Chartered Accountants  
F. R. N. 105487W**

**Place : Mumbai  
Date : 31.07.2020**

**R. A. Kuvadia  
Proprietor  
M.No.40087  
UDIN : 20040087AAAAGP1787**

*Yugandhara Kothalkar*  
*Practicing Company Secretary*  
*B. Com., LL.B, ACS, MBA (Finance),*  
*CMA (Final),*

Plot No. R-138, Tajshree Sankul,  
Reshimbag, Nagpur, (MH) – 440009.  
Mob. No. – +91 97660 02821  
E-mail - [cs.yuga@gmail.com](mailto:cs.yuga@gmail.com)

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**CERTIFICATE ON DIRECTOR'S NON-DISQUALIFICATION TO THE  
MEMBERS OF MALU PAPER MILLS LIMITED  
(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i)  
of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015)**

This certificate is issued pursuant to the clause 10 (i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities Exchange Board of India.

I have examined the compliance of provisions of the aforesaid clause 10 (i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of my information and according to the explanations given to me by the Company and the declarations made by the Directors, I certify that **none of the Directors** of MALU PAPER MILLS LIMITED ("the Company") (CIN L15142MH1994PLC076009) having its Registered Office at Heera Plaza, 04<sup>th</sup> Floor, Near Telephone Exchange, Central Avenue, Nagpur, MH – 440008, India **have been debarred or disqualified as on March 31, 2020** from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority.

**UDIN : A028673B000537610**

Date : 31<sup>st</sup> July, 2020  
Place : Nagpur

**CS. Yugandhara Kothalkar**  
Practicing Company Secretary  
ACS No. : 28673, CP No. : 10337



**R. A. KUVADIA & CO.**  
**CHARTERED ACCOUNTANTS**

1/7, Chaitanya Society, Vakola Bridge,  
Santacruz (East), Mumbai - 400 055.  
Tel.: 022-2668 0488 / 022-2668 1719  
Mobile : +91 8369514810  
E-mail : rashmikanca@yahoo.co.in  
cakuvadia@gmail.com

In Reply Please Quote

**INDEPENDENT AUDITORS REPORT**

To  
The Members of  
**MALU PAPER MILLS LIMITED**

**Report on Audit of the Standalone IND AS Financial Statements**

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of **MALU PAPER MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed u/s. 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2020, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified u/s. 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note No 37 of the accompanying standalone Ind AS financial statement which describes the management's evaluation of impact of uncertainties related to Covid-19 pandemic.

Our Opinion is not qualified in respect of these matters.

**Key Audit Matters**

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

We have determined the matter described below to be the key audit matter to be communicated in our report:

Key Audit Matters	How are audit addressed the key audit matter
<b>Physical Verification of Inventories</b>	
The company's management conducts physical verification of inventories at the end of each quarter. However, COVID-19 has put significant accounting and auditing challenges & one such being the inability of the company to conduct physical verification of inventories for the year ended March 31, 2020 due to the Government's restrictions imposed in the lockdown for safety concerns.	We understood the management's process and internal controls to establish the existence of inventory - in relation to the physical verification carried out by the management - Further we have evaluated control designs in respect of inventory process and testing whether such controls have operated effectively during the period of audit. Such controls would encompass the process around purchase and sales which eventually impact the stock balance held at the date of financial statements.

**Information Other Than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 standalone 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.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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

Our objective are to obtain reasonable assurance about whether the standalone 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 standalone Ind AS 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. U/s. 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 management.
- \* Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone 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 are of most significance in the audit of the standalone 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 "**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) we report that

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as *it* appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matter described in 'Emphasis of Matter' paragraph above in our opinion may not have an adverse effect on the functioning of the company.
- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" to this report.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended the company has not paid any remuneration to its Directors during the year under review.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

**For R.A.KUVADIA & Co.  
CHARTERED ACCOUNTANTS  
FRN: 105487W**

**Place: Mumbai  
Date: 27.06.2020**

**R.A.KUVADIA  
(PROPRIETOR)  
M. No.040087  
UDIN: 20040087AAAAFO9871**

### **Annexure - A to the Auditors' Report**

With reference to the Annexure A referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2020, we report the following:

- (i) (a) The Company is in the process of updating records showing particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of freehold immovable properties are held in the name of the Company and those taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) (a) The company's management conducts physical verification of inventories at the end of each quarter. However due to COVID-19 pandemic the management could not conduct physical verification of inventories for the year ended March 31, 2020 due to the Government's restrictions imposed in the lockdown for safety concerns. We have reviewed the procedures carried out by the management for physical verification.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- (iii) 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 Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided Guarantees as per Section 185 and 186 of the Companies Act, 2013.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no outstanding/unclaimed deposits and hence compliance with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 does not arise.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of sales tax including Value Added Tax, Service Tax, Goods & Service Tax Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Value Added Tax, Service Tax, Goods & Service Tax Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues, were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.
- (c) There were no disputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2020.
- (viii) In our opinion and according to the information and explanations given tous, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans.

Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the company.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R. A. KUVADIA & Co.**  
**CHARTERED ACCOUNTANTS**  
**FRN: 105487W**

**R. A. KUVADIA**  
**(PROPRIETOR)**  
**M. No. 040087**  
**UDIN:20040087AAAAFO9871**

**Place: Mumbai**  
**Date: 27.06.2020**

## **“Annexure –B” to the Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of **MALU PAPER MILLS LIMITED** (“the Company”) as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial

statements 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 with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. A. KUVADIA & Co.  
CHARTERED ACCOUNTANTS  
FRN: 105487W**

**Place: Mumbai  
Date: 27.06.2020**

**R. A. KUVADIA  
(PROPRIETOR)  
M. No. 040087  
UDIN: 20040087AAAAFO9871**

# MALU PAPER MILLS LTD ; NAGPUR

BALANCE SHEET AS AT 31ST MAR'2020			
Particulars	Notes	As at 31st Mar 20	As at 31st Mar 19
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	79,70,87,461	79,39,10,562
Capital work in progress	2	0	82,30,555
Investment properties		0	0
Intangible assets		0	0
<b>Financial Assets:</b>			
i. Investments	3	11,00,000	11,00,000
ii. Other	4	11,00,273	57,17,929
Other non-current Assets	5	31,81,672	31,84,172
Deferred Tax Asset ( Net )	6	5,32,20,000	5,73,85,000
<b>Total non-current assets</b>		<b>85,56,89,406</b>	<b>86,95,28,218</b>
<b>Current Assets</b>			
Inventories	7	21,75,55,400	26,64,82,400
<b>Financial Assets</b>			
i. Trade Receivables	8	26,18,17,467	23,89,90,547
ii. Cash and Cash Equivalents	9	36,50,329	8,34,345
iii. Bank balances other than Cash & Cash Equivalent	10	1,46,00,634	76,30,804
iv. Other financial assets		0	0
Other current assets	11	4,93,51,452	2,14,38,422
<b>Total Current Assets</b>		<b>54,69,75,281</b>	<b>53,53,76,518</b>
<b>Total Assets</b>		<b>1,40,26,64,688</b>	<b>1,40,49,04,736</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	17,05,92,500	17,05,92,500
Other Equity	13	13,72,33,644	13,95,64,116
<b>Total Equity</b>		<b>30,78,26,144</b>	<b>31,01,56,616</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	14	7,57,54,227	12,56,78,318
Provisions	15	73,31,881	87,39,003
Other non-current liabilities		0	0
<b>Total Non-Current liabilities</b>		<b>8,30,86,108</b>	<b>13,44,17,320</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	16	75,62,33,523	73,40,31,261
ii. Trade Payables	17	20,38,63,310	19,12,67,425
iii. Other Financial Liabilities	18	3,65,23,844	2,07,18,844
Provisions		0	0
Other current liabilities	19	1,51,31,759	1,43,13,269
<b>Total Current Liabilities</b>		<b>1,01,17,52,436</b>	<b>96,03,30,799</b>
<b>Total Liabilities</b>		<b>1,09,48,38,544</b>	<b>1,09,47,48,119</b>
<b>Total Equity and Liabilities</b>		<b>1,40,26,64,688</b>	<b>1,40,49,04,736</b>
Significant accounting policies 1			
Notes to the financial statements 2-38			
The notes referred to above form an integral part of the financial statements.			
For Malu Paper Mills Limited,		As per our Report of even date, For R.A.Kuvadia & Co. Chartered Accountants	
Punamchand Malu (Managing Director) (Din 00301030)	Banwarilal Malu (Jt.Managing Director) (Din 00301297)	Mayuri Asawa (Company Secretary)	R.A.Kuvadia Proprietor M.No. 040087 FRN : 105487W
Place : Mumbai			
Date : 27-06-2020			
UDIN : 20040087AAAAFO9871			

# MALU PAPER MILLS LTD ; NAGPUR

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAR'2020			
Particulars	Note	For The Year Ended 31st Mar 20	For The Year Ended 31st Mar 19
<b>CONTINUING OPERATIONS</b>			
Revenue from Operations	20	2,26,32,16,621	2,74,44,56,967
Other Income	21	1,09,43,714	1,09,05,954
<b>Total Income</b>		<b>2,27,41,60,335</b>	<b>2,75,53,62,921</b>
<b>Expenses</b>			
Cost of Material Consumed	22	1,32,76,83,183	1,69,77,70,010
Changes in Inventories of Work in progress and Finished Goods	23	1,13,05,400	(4,51,36,200)
Employee benefit expenses	24	8,70,91,256	8,81,73,092
Depreciation and Amortization expense	2	4,89,70,957	4,77,77,984
Impairment of assets		-	-
Other expenses	25	70,91,13,115	76,88,56,344
Finance Costs	26	7,92,30,517	9,71,32,597
<b>Total Expenses</b>		<b>2,26,33,94,429</b>	<b>2,65,45,73,826</b>
Profit before exceptional items and tax		-	-
Exceptional items		-	-
<b>Profit before tax</b>		<b>1,07,65,906</b>	<b>10,07,89,095</b>
Income Tax expenses		-	-
Current Tax		-	-
Mat Credit Entitlement		-	-
Deferred Tax		41,65,000	2,65,81,662
Income Tax for prior period		-	-
<b>Total tax expenses</b>		<b>41,65,000</b>	<b>2,65,81,662</b>
<b>Profit/(loss) for the period from continuing operations</b>		<b>66,00,906</b>	<b>7,42,07,433</b>
<b>Other Comprehensive Income</b>			
Items that may be classified to Profit or Loss		-	-
Items that will not be reclassified to Profit or Loss		-	-
Remeasurement of employees benefit obligations		-	36,087
Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
Other Comprehensive Income for the period ( net of tax )		-	-
<b>Total Comprehensive Income for the year</b>		<b>66,00,906</b>	<b>7,42,43,520</b>
Earning Per Equity Share for profit from Continuing Operations			
Basic Earning per share (In `)		0.39	4.35
Diluted Earning per share (In `)		0.39	4.35
<b>Significant accounting policies</b>	1		
<b>Notes to the financial statements</b>	2-38		
The notes referred to above form an integral part of the financial statements.			
For Malu Paper Mills Limited,		As per our Report of even date, For R.A.Kuvadia & Co. Chartered Accountants	
Punamchand Malu (Managing Director) (Din 00301030)	Banwarilal Malu (Jt.Managing Director) (Din 00301297)	Mayuri Asawa (Company Secretary)	R.A.Kuvadia Proprietor M.No. 040087 FRN : 105487W
Place : Mumbai			
Date : 27-06-2020			
UDIN : 20040087AAAAFO9871			

# MALU PAPER MILLS LTD ; NAGPUR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAR, 2020		
Particulars	For The Year Ended 31st Mar 2020	For The Year Ended 31st Mar 2019
<b>Cash flow from Operating activities</b>		
Profit before income tax from Continuing Operations	1,07,65,906	10,07,89,095
Non-Cash Income	(89,31,378)	(96,21,377)
<b>Profit before income tax including discontinued operations</b>	<b>18,34,528</b>	<b>9,11,67,717</b>
Adjustments for		
Depreciation and amortisation	4,89,70,957	4,77,77,984
Non-Cash Expense- Provision for Gratuity	(11,50,622)	18,75,484
Loss/(Gain) on disposal of Property, plant and equipment	-	(76,899)
Dividend and Security Deposit Interest	(8,63,580)	-
Accured interest on FDR	(11,48,756)	(12,07,678)
Finance Costs	7,92,30,517	9,71,32,597
Net exchange differences		
<b>Total</b>	<b>12,68,73,044</b>	<b>23,66,69,205</b>
(increase) / Decrease in trade receivables	(2,28,26,920)	3,95,92,888
(increase) / Decrease in inventories	4,89,27,000	4,76,31,600
Increase /(Decrease) in Trade Liabilities and Other Financial Liabilities	2,92,19,375	(18,75,41,735)
(increase) / Decrease in Other Financial Assets	-	1,07,53,572
(Increase)/Decrease in Other Current Assets (Excluding Income Tax)	(2,79,13,030)	4,16,00,880
<b>Total</b>	<b>2,74,06,425</b>	<b>(4,79,62,795)</b>
<b>Cash generated from operations</b>	<b>15,42,79,469</b>	<b>18,87,06,410</b>
Less: Income Tax paid	-	-
<b>Net cash inflow from operating activities</b>	<b>15,42,79,469</b>	<b>18,87,06,410</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment	(4,39,17,302)	(3,68,44,834)
Change in Other Financial Assets	57,66,412	7,95,603
Change in Other Non Current Assets	2,500	(3,52,900)
Proceeds from sale of property, plant and equipments	-	2,40,000
Interest received & Dividend Received	8,63,580	88,114
<b>Net Cash Flow from investing activities</b>	<b>(3,72,84,810)</b>	<b>(3,60,74,017)</b>
<b>Cash flow from financing activities</b>		
Proceeds/Repayments of borrowings (Net)	(2,79,78,328)	(6,31,70,467)
Interest paid	(7,92,30,517)	(9,71,32,597)
Repayment of Other Non-Current Liabilities	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(10,72,08,846)</b>	<b>(16,03,03,065)</b>
Net increase (decrease) in cash and cash equivalents	97,85,814	(76,70,671)
<b>Cash and Cash equivalents at the beginning of the financial year</b>	<b>84,65,149</b>	<b>1,61,35,820</b>
Cash In Hand	3,90,396	3,63,627
Bank Balances	80,74,752	1,57,72,193
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,82,50,962</b>	<b>84,65,149</b>
Cash In Hand	5,54,608	3,90,396
Bank Balances	1,76,96,354	80,74,752
<b>Note:</b> A) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on 'Statement of Cash Flows'. B) Under Previous GAAP, bank overdrafts were presented as part of "Cash flows from financing activities" in the statement of cash flows. Under Ind AS, bank overdrafts are included as a component of cash and cash equivalents in the statement of cash flows.		
For Malu Paper Mills Limited.		As per our Report of even date, For R.A.Kuvadia & Co. Chartered Accountants
Punamchand Malu      Banwarilal Malu      Mayuri Asawa (Managing Director) (Jt.Managing Director) (Company Secretary) (Din 00301030)      (Din 00301297)		R.A.Kuvadia Proprietor M.No. 040087 FRN : 105487W
Place : Mumbai Date : 27-06-2020 UDIN : 20040087AAAAFO9871		

# Notes Forming Part Of The Financial Statements

## 1. Corporate Information

**Malu Paper Mills Limited** ("the Company") is engaged in Manufacturing of Paper.

The company is a public limited company incorporated and domiciled in India and has Registered Office at Heera Plaza, 4th Floor, Near Telephone Exchange, and Nagpur 440008. The Equity shares of the company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE).

The Board of Directors approved the standalone financial statements for the year ended March 31, 2020 and authorize for issue on June 26 2020

## 2. Significant Accounting Policies

### 2.1 Basis of preparation

The financial statements of the company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2015 and the relevant provisions of the Companies Act, 2013 ("the Act").

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period as stated in the accounting policies. The accounting policies have been applied consistently over all the periods presented in these financial statements.

### 2.2 Significant accounting judgments', estimates and assumptions:

The preparation of the financial statements in conformity with IND AS requires the management to make estimates, judgments' and assumptions. These judgments and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

### 2.3 Current versus non – current classification:

All the assets and liabilities have been classified as current or non – current as per the Company's operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of the products and the timebetween the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non – current classification of assets and liabilities.

# Notes Forming Part Of The Financial Statements

## 2.1 Property, Plant and Equipment (PPE)

- PPE are recognized when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy.
- If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.
- Material items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in IND AS 16 on "Property, Plant and Equipment".
- The carrying amount of an item of PPE, derecognized upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

### Capital Work-in-Progress

Property, Plant and Equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, such properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, will be provided on the same basis as other property assets are ready for their intended use.

## 2.2 Depreciation

Depreciation on Property, Plant and Equipment (other than Freehold Land and Capital Work-in-progress) is provided on the Straight-Line Method in accordance with requirements prescribed under Schedule II to the Companies Act, 2013.

The Company has assessed the estimated useful lives of its PPE and has adopted the useful lives and residual value as prescribed therein.

Land under finance lease is amortized over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

## 2.3 Intangible Assets and Amortization

Intangible assets are stated at acquisition cost, net of accumulated Amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis as per Schedule II of Companies Act, 2013.

The estimated useful life and amortizations method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## 2.4 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have

## Notes Forming Part Of The Financial Statements

been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognized and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognized immediately in the Statement of Profit and Loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but up to the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

### 2.5 Inventories

- Inventories are valued at lower of cost and net realizable value.
- Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.
- Cost of raw materials, packing materials, including materials in transit, work in process and finished goods are arrived at on the First in first out method of valuation, including manufacturing overheads wherever applicable.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 2.6 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

### 2.7 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 Chief Operating Decision Maker (CODM) 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.



## Notes Forming Part Of The Financial Statements

### 2.8 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 2.9 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of a 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 obligation. Provision is not recognized for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are not recognized but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

### 2.10 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **Sale of Goods**

Revenue from sale of goods is recognized upon transfer of significant risks and rewards of ownership of the goods to the customer, where neither continuing managerial involvement nor effective control over the goods sold is retained. Sales are exclusive Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts, Revenue consist of Freight Collected on Account of outward carriage of Goods

#### **Rental Income**

Rental Income is accounted as and when accrues.

## Notes Forming Part Of The Financial Statements

### **Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

### **Dividends**

Dividend Income is accounted for when Company's right to receive income is established.

### **Duty Drawback**

Income from duty drawback and export incentives is recognized on an accrual basis.

### **2.11 Leases**

The company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116.

### **2.12 Employee Benefits**

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

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

#### **(ii) Long-term benefits:**

- **Defined Contribution Plan:  
Provident Fund:**

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to Employee provident fund account maintained with EPFO. The Company's contribution is charged to the statement of profit and loss as incurred.

- **Defined Benefit Plan:  
Gratuity:**

The Company has an obligation towards gratuity, a defined benefits retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method.

### **2.13 Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred tax.

## Notes Forming Part Of The Financial Statements

### **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

### **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **Current and Deferred Tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

#### **2.14 Cash & Cash Equivalent:**

Cash and Cash equivalent in the balance sheet comprises cash at banks and on hand and short term deposits with an original maturity of the three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in Balance Sheet.

#### **2.15 Earnings per Share**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity

## Notes Forming Part Of The Financial Statements

and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 2.16 Foreign Currency Transactions

Transactions in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

### 2.17 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition:

Financial assets and Financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in the Statement of Profit and Loss.

#### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial assets.

#### Amortized Cost:

A financial asset shall be classified and measured at amortized cost, if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Fair Value through Other Comprehensive Income:

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- The financial asset is held within a business model 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.

## Notes Forming Part Of The Financial Statements

### **Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortized cost or at FVTOCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### **Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

### **Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

### **Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Impairment of financial assets:**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The company uses judgment 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.

The Credit Policy approved by the Company for bad debts considering past history of bad debts, instead of recognizing allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for doubtful debts based as specified by the Board. The Company will reassess the model periodically and make the necessary adjustments for loss allowance.

### **Derecognition of financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative

## Notes Forming Part Of The Financial Statements

gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

### **Financial liabilities and equity instruments:**

- Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognized at the proceeds received.

### **Derecognition of financial liabilities:**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

### **Offsetting:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### **Derivative Financial Instruments:**

The Company enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

## Notes Forming Part Of The Financial Statements

### **2.18 Research and Development:**

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is considered as an addition to Property, Plant and Equipment/ Intangible Assets.

### **2.19 Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Key estimates, assumptions and judgment's**

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **Income taxes**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits.

#### **Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortized over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortization to be recorded during any reporting period. The depreciation/amortization for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortized/depreciable amount is charged over the remaining useful life of the assets.

#### **Impairment of Financial Assets**

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

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

## Notes Forming Part Of The Financial Statements

### Recoverability of Trade Receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### Fair Value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### Impairment of Assets

The Company has used certain judgments and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

### Provisions & Contingent liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**The Company has adopted materiality threshold limits in the preparation and presentation of Financial statements as Given Below:**

Threshold Limit	Accounting Policy for the same	Threshold Limit Value
Income / expenditure (net) in aggregate pertaining to prior year(s)	Income / expenditure (net) in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts and / or restating the opening Balance Sheet for the earliest prior period presented	One Lakh
Prepaid expenses in each case	Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.	One Lakh



# MALU PAPER MILLS LTD; NAGPUR

## NOTE 2 : Property Plant and Equipment & Capital WIP

Sr. No.	Fixed Assets	Useful Life	Gross Block				Accumulated Depreciation			Net Block	
			Balance as at 1 April 2019	Additions during the year	Disposal / Transfer during the year	Balance as at 31st Mar 2020	Balance as at 1 April 2019	Depreciation charge for the year	Balance as at 31st Mar 2020	Balance as at 31st Mar 2020	Balance as at 31 Mar 2019
a	Tangible Assets (Under Lease)										
1	Leasehold Land		8573045			8573045	1173159	90243	1263402	7309643	7399886
b	Tangible Assets (Not Under Lease)										
1	Freehold Land		7631171			7631171		0		7631171	7631171
2	Factory Building	30	211251909			211251909	83567267	6454970	90022236	121229672	127684642
3	Office Building	60	702610			702610	237053	10761	247814	454796	465557
4	Office Building (Ho)	60	1065670			1065670	255925	16445	272370	793300	809745
5	Staff Quarters	60	1712841			1712841	616384	26170	642554	1070287	1096457
6	Plant & Machinery	25	812810103	51387856		864197959	372935119	28127304	401062423	463135535	439874983
7	Furniture & Fixture	10	3363016			3363016	2992726	25517	3018243	344773	370290
8	Office Equipment	25	1002474			1002474	663420	21755	685175	317299	339054
9	Computers	3	1927161			1927161	1908908	18253	1927161	0	18253
10	Boiler	25	12059151			12059151	9238956	288649	9527605	2531546	2820195
11	Captive Power Plant	25	201377144			201377144	93863796	6610346	100474142	100903002	107513348
12	Water Supply Equipments	25	252811			252811	252174	637	252811	0	637
13	Fire Fighting Equipments	25	214497			214497	143022	5989	149011	65486	71475
14	Effluent Treatment	25	30625732			30625732	15533004	1284900	16817905	13807828	15092728
15	Electrical Installation	25	120371331			120371331	56357799	4172805	60530604	59840727	64013532
16	Crane,Weigh bridge, Workshop Equip.	25	24831502			24831502	11388358	859799	12248157	12583345	13443144
17	Vehicles	8	25198892	760000		25958892	19933427	956414	20889841	5069051	5265465
	Total Property Plant & Equipment		1464971060	52147856	0	1517118916	671060497	48970957	720031455	797087461	793910562

# MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2020 AMOUNT	AS ON 31ST MAR' 2019 AMOUNT
<b>3</b>	<b><u>INVESTMENTS</u></b>		
<b>A</b>	Investment in Equity Instruments (Unquoted)		
	At Fair Value Through Other Comprehensive Income	11,00,000	11,00,000
	Ganga Care Hospitals Ltd.		
	(110000 Equity Shares of Rs. 10 each)		
	<b>Total :</b>	<b>11,00,000</b>	<b>11,00,000</b>
The Investment valuation policy has been taken at Fair Value, in compliance with Para B.5.2.3 of Ind AS 109. Cost is taken as fair value for want of quote and liquidity.			
<b>4</b>	<b><u>Other Non Current Financial Assets</u></b>		
<b>A</b>	Fixed Deposit with Bank	10,73,709	50,01,576
	(Against Margin Money for Bank Guarantee)		
<b>B</b>	Accrued Interest on Fixed Deposit with Bank	26,564	7,16,353
	<b>Grand Total :</b>	<b>11,00,273</b>	<b>57,17,929</b>
<b>5</b>	<b><u>Other Non Current Assets</u></b>		
<b>A</b>	<b>Security Deposits</b>		
	Unsecured, considered good	31,81,672	31,84,172
	Deposits with Government Authorities	-	-
	<b>Total :</b>	<b>31,81,672</b>	<b>31,84,172</b>
<b>6</b>	<b><u>Deferred Tax Assets ( Net )</u></b>		
<b>a</b>	<b>Deferred Tax Assets</b>		
	Unabsorbed Depreciation , Business Loss and Other employees entitlement.	23,68,00,000	24,84,66,000
<b>b</b>	<b>Deferred Tax Liability</b>		
	Depreciation & Amortisation	18,35,80,000	19,10,81,000
	<b>Total :</b>	<b>5,32,20,000</b>	<b>5,73,85,000</b>

Income tax expense comprises of current and deferred income tax of current year in the statement of profit and loss. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

## MALU PAPER MILLS LTD; NAGPUR

### 7 INVENTORIES

a	Raw Materials and components (Valued at cost or NRV whichever is lower)		6,73,35,700		11,17,88,800
	Waste Paper - Indian	2,93,84,100		4,01,40,500	
	Waste Paper - Imported	1,81,76,400		5,45,83,100	
	Chemical	1,97,75,200		1,70,65,200	
b	Fuel		1,82,74,600		1,57,28,300
c	Packing Material		39,85,100		25,30,000
	<b>Total (a+b+c) :</b>		<b>8,95,95,400</b>		<b>13,00,47,100</b>
d	Finished goods (Valued at cost or NRV whichever is less)				
	Internally Manufactured		5,65,54,700		6,78,60,100
	Finished Goods	5,65,54,700		6,31,60,100	
	Stock In Process	-		47,00,000	
	<b>Total (d) :</b>		<b>5,65,54,700</b>		<b>6,78,60,100</b>
e	Consumable Stores (Valued at cost or NRV whichever is lower)		7,14,05,300		6,85,75,200
	<b>Total (e) :</b>		<b>7,14,05,300</b>		<b>6,85,75,200</b>
	<b>Total (a+b+c+d+e) :</b>		<b>21,75,55,400</b>		<b>26,64,82,400</b>

Note: Inventories have been hypothecated with banks against cash credit facility.

### 8 TRADE RECEIVABLES

a	<b>Unsecured Debts</b>				
	Considered Good		26,18,17,467		23,89,90,547
	Considered Doubtful		-		-
b	<b>Less: Allowance for bad and doubtful debts</b>		-		-
	<b>Total (a + b - c) :</b>		<b>26,18,17,467</b>		<b>23,89,90,547</b>

Note: (A) Trade Receivables have been hypothecated with banks against cash credit facility.

(B) Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

# MALU PAPER MILLS LTD; NAGPUR

## 9 CASH AND CASH EQUIVALENTS

a	Cash in hand	5,54,608	3,90,396
b	Balances with Banks		
	In current Account with		
	State Bank of India, Saoner	10,37,958	3,56,965
	Axis Bank Ltd; Nagpur - Collection Inflow	20,57,762	86,983
	Total :	<u>30,95,721</u>	<u>4,43,948</u>
	Total :	<u>36,50,329</u>	<u>8,34,345</u>

## 10 Bank Balances other than Cash & Cash Equivalents

a	Other Bank Balances (Against Margin Money for Letter of Credit)	1,41,71,268	73,82,186
b	Accrued Interest on FDR	4,29,366	2,48,618
	Total	<u>1,46,00,634</u>	<u>76,30,804</u>

## 11 Other Current Assets

	Unsecured, considered good		
a	Advances recoverable ( against goods & services )	3,14,77,597	95,07,942
b	Advances recoverable ( against capital goods )	23,97,741	-
c	Other Advances & Deposits	1,54,76,114	1,19,30,480
	Total :	<u>4,93,51,452</u>	<u>2,14,38,422</u>

# MALU PAPER MILLS LTD; NAGPUR

12

## SHARE CAPITAL

	Number		Number	
a <u>Authorised</u>				
Equity Shares of ` Rs.10 each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
b <u>Issued</u>				
Equity Shares of ` Rs.10 each fully paid	1,70,59,250	17,05,92,500	1,70,59,250	17,05,92,500
c <u>Subscribed &amp; fully Paid up</u>				
Equity Shares of ` Rs.10 each fully paid	1,70,59,250	17,05,92,500	1,70,59,250	17,05,92,500
Total :	<u>1,70,59,250</u>	<u>17,05,92,500</u>	<u>1,70,59,250</u>	<u>17,05,92,500</u>

### d Reconciliation of Number of Shares Outstanding :

Shares outstanding at the beginning of the year	1,70,59,250	17,05,92,500	1,70,59,250	17,05,92,500
Movement During the Year	-	-	-	-
Shares outstanding at the end of the year	1,70,59,250	17,05,92,500	1,70,59,250	17,05,92,500

### e Rights, preference & restriction attached to Equity Shares

The company has only one class of equity Share. Each Shareholder is eligible for one vote per share. In the event of liquidation of company, the shareholders are entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution shall be in proportion to number of equity shares held by the shareholder.

### f Details of Shareholders, holding more than 5% of the Paid up Equity Share Capital of the Company with Voting Rights :

Name of Shareholder	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Frontline Commercial Pvt Ltd	15,14,102	8.88%	15,14,102	8.88%
Wistaria Farms Pvt Ltd	10,33,500	6.06%	10,33,500	6.06%
Kaveri Malu	10,42,487	6.11%	10,42,487	6.11%

## MALU PAPER MILLS LTD; NAGPUR

NOTE 13 : Other Equity						
Particular	Reserves and Surplus					Total
	General Reserve	Security Premium	Capital Grant (Deffered Sales tax Incentive Packages - As per Ind AS 20 )	Retained Earning	OCI	
<b>As at 1st April 2016</b>	<b>21,18,80,327</b>	<b>14,79,52,928</b>	<b>7,12,34,845</b>	<b>(38,22,32,133)</b>	<b>-</b>	<b>4,88,35,967</b>
Net Profit/Loss for the period				2,88,99,229		2,88,99,229
Government Grant Deferred for the year			27,24,590			27,24,590
Recognised in Statement of Profit and Loss Account			(1,00,17,153)			(1,00,17,153)
<b>As at 31st March 2017</b>	<b>21,18,80,327</b>	<b>14,79,52,928</b>	<b>6,39,42,282</b>	<b>(35,33,32,904)</b>	<b>-</b>	<b>7,04,42,633</b>
Net Profit/Loss for the period				1,45,97,280		1,45,97,280
Recognised in Statement of Profit and Loss Account			(1,00,97,939)			(1,00,97,939)
<b>As at 31st March 2018</b>	<b>21,18,80,327</b>	<b>14,79,52,928</b>	<b>5,38,44,343</b>	<b>(33,87,35,624)</b>	<b>-</b>	<b>7,49,41,974</b>
Net Profit/Loss for the period				7,42,43,520		7,42,43,520
Recognised in Statement of Profit and Loss Account			(96,21,377)			(96,21,377)
<b>As at 31st March 2019</b>	<b>21,18,80,327</b>	<b>14,79,52,928</b>	<b>4,42,22,966</b>	<b>(26,44,92,104)</b>	<b>-</b>	<b>13,95,64,116</b>
Net Profit/Loss for the period				66,00,906		66,00,906
Recognised in Statement of Profit and Loss Account			(89,31,378)			(89,31,378)
<b>As at 31st March 2020</b>	<b>21,18,80,327</b>	<b>14,79,52,928</b>	<b>3,52,91,588</b>	<b>(25,78,91,199)</b>	<b>-</b>	<b>13,72,33,644</b>
<b>Nature and description of reserve</b>						
(i) General Reserve - General reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.						
(ii) Retained Earnings - Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.						
(iii) Security Premium: It is created from amount collected on issue of shares in excess of the face value of such shares.						
(iv) Capital Grant: It is the value of deferred government grant to be recognised in Profit and Loss account over the period in which the entity recognises the related interest on the value of deferred sales tax liability which the grant is intended to compensate.						

# MALU PAPER MILLS LTD; NAGPUR

## 14 LONG-TERM BORROWINGS

### a SECURED LOANS (Consortium)

i	Bank of India, Mumbai	-	98,00,000
ii	State Bank of India, Nagpur	-	1,28,00,000
iii	Axis Bank, Nagpur	-	1,75,00,000

<b>Total (a)</b>	<b>-</b>	<b>4,01,00,000</b>
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### b Other

iv	State Bank of India	1,75,461	73,268
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<b>Total (b)</b>	<b>1,75,461</b>	<b>73,268</b>
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<b>Total (a+b) :</b>	<b>1,75,461</b>	<b>4,01,73,268</b>
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1 (Loans of Sr. No a (i) to (v) of Note 14 are secured by :

1. Primary : First pari passu charge on the entire Fixed Assets of the Company both present & future.

2. Collateral : Second pari passu charge on entire current assets of the company and First pari passu charge by way of equitable mortgage of Land and Plant & Machinery of Solar Carbon Pvt Ltd.

3. Guarantee : Personal guarantee of Directors Shri Punamchand Malu & Shri Banwarilal Malu and corporate guarantee of Solar Carbons Pvt Ltd.)

4. Pledge of Promoters Shareholding to the extent of 51% of the paid up capital of the Company.

2 (Loans of Sr. No a (vi) of Note 14 are secured by hypothecation of vehicle of company.

3 Since financial year 2011-12, Loans of Sr. No. a (i) to (v) of Note 14 are restructured under the Corporate Debts Restructure (CDR) mechanism.

4 There is no default in repayment of principal loan or interest thereon.

### DETAILS OF RATE OF INTEREST & TERMS OF REPAYMENT OF TERM LOANS

REPAYMENT SCHEDULE OF TERM LOANS	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 20-21	Terms of Payment - 4 Quaterly Instalment in FY 20-21	Rate of Interest in FY 20-21
Bank of India, Mumbai	-	61,25,000	15,31,250	11.50%
State Bank of India, Nagpur	-	1,28,00,000	32,00,000	11.50%
Axis Bank, Nagpur	-	1,75,00,000	43,75,000	11.50%
<b>Total (i) :</b>	<b>-</b>	<b>3,64,25,000</b>	<b>91,06,250</b>	

REPAYMENT SCHEDULE OF VEHICLE LOANS	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 20-21	Terms of Payment - Monthly Instalment	Rate of Interest
State Bank of India	1,75,461	98,844	8,237	9.75%
<b>Total (ii) :</b>	<b>1,75,461</b>	<b>98,844</b>	<b>8,237</b>	
<b>Total (I + ii) :</b>	<b>1,75,461</b>	<b>3,65,23,844</b>	<b>91,14,487</b>	

b	Deffered Sales Tax (Unsecured Loan)	7,55,78,766	8,55,05,050
<b>Total :</b>		<b>7,55,78,766</b>	<b>8,55,05,050</b>

### DETAILS OF RATE OF INTEREST & TERMS OF REPAYMENT OF DEFFERED SALES TAX

REPAYMENT SCHEDULE	Repayable after 1 year from the date of Balance Sheet	Repayment in FY 20-21	Terms of Payment-	Rate of interest
Deffered Sales Tax	7,55,78,766	99,26,284	1st May Annually	Based on the schedule of Early Repayment option provided by the Government.

The company had received interest free Sales Tax Deferral of under the Package Schemene of Incentive scheme of the government, which is outstanding to the extent of Rs.15,25,12,990 Under Ind AS, at the date of transition, the company recognised the said financial liability at fair value with the differential to be spread over the tenure of the deferral.

# MALU PAPER MILLS LTD; NAGPUR

## 15 Long Term Provisions

Post Employment Employee Benefits  
Provision for Gratuity

73,31,881

87,39,003

Total :

**73,31,881**

**87,39,003**

The Company estimates the provision on yearly basis which is required for future Gratuity Payment, and on the same the provision is Increased / Reduced as required

## 16 SHORT TERM BORROWINGS

### Secured

#### a Loans repayable on demand Working Capital Limit from

i	Axis Bank Ltd; Nagpur	4,03,54,020	6,18,54,695
ii	State Bank of India, Nagpur	5,34,47,433	5,63,82,799
iii	Bank of India, Mumbai	6,17,99,318	6,11,14,084
iv	Jammu & Kashmir Bank, Mumbai	3,06,94,883	3,06,81,391
v	Bank of Baroda, Mumbai	3,03,37,871	3,05,98,293

Sub Total (a) :

**21,66,33,523**

**24,06,31,261**

(Loans of Sr. No a (i) to (v) of Note 16 are secured by :

1. Primary : First pari passu charge on the entire Current Assets of the Company both present & future.
2. Collateral : Second pari passu charge on entire Fixed assets of the company and second pari passu charge by way of equitable mortgage of Land and Plant & Machinery of Solar Carbon Pvt Ltd.
3. Guarantee : Personal guarantee of Directors Shri Punamchand Malu & Shri Banwarilal Malu and corporate guarantee of Solar Carbons Pvt Ltd.)
4. Pledge of Promoters Shareholding to the extent of 51% of the paid up capital of the Company.

#### b UNSECURED LOANS

(a) Loans and advances from related parties	6,90,00,000	6,87,00,000
(b) Loans and advances from Inter Corporate	46,36,00,000	42,47,00,000
(c) Others	70,00,000	-

Sub Total (b) :

**53,96,00,000**

**49,34,00,000**

Total ( a + b ) :

**75,62,33,523**

**73,40,31,261**



## MALU PAPER MILLS LTD; NAGPUR

### 17 TRADE PAYABLE

a	Creditors for goods and services	20,38,63,310	19,12,67,425
	<b>Total :</b>	<b><u>20,38,63,310</u></b>	<b><u>19,12,67,425</u></b>
b	The information required to be disclosed under Micro, Small & Medium Enterprises Development Act, 2006 is not available with the Company.		

### 18 OTHER FINANCIAL LIABILITIES

a	Current Maturities: Long Term Debt	3,65,23,844	2,07,18,844
	<b>Total :</b>	<b><u>3,65,23,844</u></b>	<b><u>2,07,18,844</u></b>

### 19 OTHER CURRENT LIABILITIES

a	Deferred Sales Tax (As per Note 15 above)	99,26,284	80,76,984
b	Duties & Taxes	42,05,475	51,77,286
c	Other Payables	10,00,000	10,59,000
		<b><u>1,51,31,759</u></b>	<b><u>1,43,13,269</u></b>

# MALU PAPER MILLS LTD; NAGPUR

## 20 REVENUE FROM OPERATION

### A Sale of products; Manufacturing Goods

#### 1 Kraft Paper

Domestic	76,40,68,085		1,10,89,75,763	
Export	<u>13,71,52,902</u>	90,12,20,987	<u>7,44,47,428</u>	1,18,34,23,191

#### 2 Newsprint Paper

Domestic	1,34,30,67,257		1,44,43,03,325	
Export	<u>1,75,84,151</u>	1,36,06,51,408	<u>11,43,33,141</u>	1,55,86,36,465

Sub-Total : 2,26,18,72,395 2,74,20,59,657

### B Other Operating Income

1 Duty Draw Back - Export		13,44,226		23,97,310
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Sub-Total : 13,44,226 23,97,310

TOTAL 2,26,32,16,621 2,74,44,56,967

Note: All the sales are made to external parties only.

## 21 OTHER INCOME

Interest on FDR	11,48,756	11,19,564
Interest on Security Deposit	99,080	88,114
Gain on Sale of Fixed Assets	-	76,899
Dividend Income	7,64,500	-
Deffered Sales tax Incentive Packages (As per Ind AS 20)	89,31,378	96,21,377

Total : 1,09,43,714 1,09,05,954

# MALU PAPER MILLS LTD; NAGPUR

## 22 COST OF MATERIALS CONSUMED

### Details of Raw Material Consumed

Raw Material at the beginning of the year	11,17,88,800	19,41,26,400
Add: Purchases	1,22,76,04,112	1,54,53,84,769
Total :	1,33,93,92,912	1,73,95,11,169
Less: Raw Material at the end of the year	6,73,35,700	11,17,88,800
Cost of Raw Material consumed	1,27,20,57,212	1,62,77,22,369

### Item wise details of Raw Material Consumed

Waste Paper - Indian - Kraft	29,82,72,421	46,56,29,137	
Waste Paper - Imported - Kraft	17,05,42,907	18,14,43,363	
Chemical - Kraft	6,78,65,174	8,13,58,418	
Waste Paper - Indian - Newsprint	64,62,11,043	75,09,16,302	
Waste Paper - Imported - Newsprint	1,12,30,489	2,95,45,192	21,09,88,556
Chemical - Newsprint	7,79,35,179	11,88,29,957	
Total	1,27,20,57,212	1,62,77,22,369	

### Details of Consumable Stores Consumed

Consumable Stores at the beginning of the year	6,85,75,200	7,23,23,200
Add: Purchases	5,84,56,071	6,62,99,640
Total :	12,70,31,271	13,86,22,840
Less: Consumable Stores at the end of the year	7,14,05,300	6,85,75,200
Cost of Consumable Stores consumed	5,56,25,971	7,00,47,640
Total :	1,32,76,83,183	1,69,77,70,010

## 23 Details of changes in Inventory Inventory at the end of the year

### Particulars

Stock in Process	-	47,00,000
Finished Goods	5,65,54,700	6,31,60,100
Total :	5,65,54,700	6,78,60,100

### Inventory at the beginning of the year Particulars

Stock in Process	47,00,000	52,25,000
Finished Goods	6,31,60,100	1,74,98,900

### Increase/Decrease in Inventory

### Particulars

Stock in Process	47,00,000	5,25,000
Finished Goods	66,05,400	(4,56,61,200)
Total :	1,13,05,400	(4,51,36,200)

## 24 EMPLOYEE BENEFITS

Salary & Allowances	8,08,03,271	7,83,07,093
Provident Fund	42,36,556	39,45,802
ESIC	19,25,680	20,72,983
Staff Welfare Expenses	12,76,371	19,71,730
Expenses on Gratuity	(11,50,622)	18,75,484
Total :	8,70,91,256	8,81,73,092

# MALU PAPER MILLS LTD; NAGPUR

## 25 OTHER EXPENSES

Power & Fuel	39,65,15,509	44,93,60,308
Packing Material	2,39,36,601	2,78,99,302
Freight Inward	9,83,08,881	11,05,93,627
Contractor Payment	3,27,10,818	2,71,92,921
Clearing & Forwarding	8,34,671	13,58,889
Custom Duty	19,89,951	46,21,570
Water Charges	33,53,562	29,75,588
<b>Repairs &amp; Maintenance</b>		
Building	8,55,480	26,41,086
Plant & Machinery	3,17,77,359	3,91,94,518
Advertisement	86,886	1,06,995
Annual Listing Fees	6,07,346	6,30,000
Audit Fees	3,00,000	3,00,000
Consultancy Charges	43,68,735	34,65,189
Conveyance Charges & Vehicle Maintenance	7,46,644	13,72,333
Computer Maintenance	2,80,926	3,09,179
CSR Expenses	5,51,000	-
Donation	4,66,000	1,31,000
GST Expenses	1,03,283	-
Insurance Charges	4,14,610	8,88,373
Labour Welfare Fund	13,261	32,232
Office & Misc. Expenses	8,87,885	6,11,071
Professional Tax	2,500	8,500
Periodicals & Subscription	65,174	66,620
Postage	1,72,620	3,68,967
Printing & Stationery	3,02,987	3,54,122
Rent, Rates & Taxes	8,66,986	28,95,055
ROC Fees Expenses	63,535	56,600
Security Expenses	20,19,472	23,12,894
Selling & Distribution Expenses	3,40,55,628	3,22,67,196
Carriage Outward	7,12,16,817	5,44,16,257
Sitting Fess Expenses	1,20,000	1,04,000
Excise Duty/Service Tax as per Audit Para	-	5,44,014
Interest, Penalty and Late Fees	2,51,017	-
Telephone Expenses	3,24,137	5,43,048
Travelling Expenses	5,42,835	12,34,892
<b>Total :</b>	<b>70,91,13,115</b>	<b>76,88,56,344</b>

## 26 FINANCE COSTS

Bank Charges	26,04,795	38,54,638
Interest to Bank	3,43,37,729	4,40,69,679
Interest on Unsecured Loan	3,34,39,849	3,95,86,903
Interest on Deferred Sales Tax Liability	88,48,144	96,21,377
<b>Total :</b>	<b>7,92,30,517</b>	<b>9,71,32,597</b>

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## 27 DISCLOSURE OF RELATED PARTY TRANSACTIONS :

List of related parties with whom transactions have taken place during the year

### a Associate Concerns

Malu Electrodes Private Limited  
Frontline Commercials Private Limited  
Malu Rice Mills Private Limited  
Neelkamal Financial Services Private Limited  
Solar Carbons Private Limited  
Wistaria Farms Private Limited

### b Key Management Persons

Poonamchand Malu  
Banwarilal Malu

### c Transactions with Related Party

#### Associate Company

##### Malu Electrodes Private Limited

Purchases during the year	1,68,128	3,17,282
Finance Taken	4,55,60,000	10,51,46,000
Finance Paid	2,50,00,000	7,00,00,000
Interest on Loan	2,16,00,000	1,98,54,000

##### Frontline Commercials Private Limited

Finance Taken	10,000	-
Finance Paid	-	50,000
Interest on Loan	11,00,000	15,00,000

##### Malu Rice Mills Private Limited

Finance Paid	56,06,100	5,000
Interest on Loan	2,29,000	4,50,000

##### Neelkamal Financial Services Private Limited

Finance Paid	-	25,000
Finance Taken	20,000	-
Interest on Loan	22,00,000	22,50,000

##### Solar Carbons Private Limited

Finance Paid	4,46,100	10,000
Interest on Loan	18,29,000	19,00,000

##### Wistaria Farms Private Limited

Finance Paid	36,800	44,000
Interest on Loan	1,52,000	1,60,000

#### Relatives of Key Management Persons

	Salary	Salary
Poonamchand Malu	24,00,000	20,00,000
Banwarilal Malu	24,00,000	20,00,000
Narayan Malu	24,00,000	20,00,000
Nimish Malu	6,00,000	-
	Interest on Loan	Interest on Loan
Banwarilal Malu (HUF)	1,52,000	1,62,000
Banwarilal Malu	21,80,000	19,60,000
Kaveri Malu	8,42,000	7,75,000
Manisha Verma	2,89,000	3,00,000
Shashi Malu	11,23,000	11,75,000
Vasudeo Malu	8,49,000	7,00,000

#### Amount Payable as on reporting Date

Banwarilal Malu (HUF)	20,00,000	19,00,000
Banwarilal Malu	2,60,00,000	2,81,00,000
Frontline Commercials Private Limited	1,48,00,000	1,38,00,000
Kaveri Malu	1,12,00,000	1,05,00,000
Malu Electrodes Private Limited	40,00,00,000	36,00,00,000
Manisha Verma	38,00,000	36,00,000
Malu Rice Mills Private Limited	-	54,00,000
Neelkamal Financial Services Private Limited	2,28,00,000	2,08,00,000
Shashi Malu	1,50,00,000	1,40,00,000
Solar Carbons Private Limited	2,40,00,000	2,28,00,000
Vasudeo Malu	1,10,00,000	1,06,00,000
Wistaria Farms Private Limited	20,00,000	19,00,000

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### 28 PAYMENT TO AUDITORS IN OTHER EXPENSES (NOTE 25) CONSISTS OF:

Statutory Audit Fees	3,00,000	3,00,000
<b>Total</b>	<b><u>3,00,000</u></b>	<b><u>3,00,000</u></b>

### 29 SEGMENT INFORMATION :

The Company operates in only one main segment i.e. manufacturing of paper. Since the company has only one reportable business segment and geographical segment, no further disclosure is required as per the Indian Accounting Standard 108-Operating Segment.

### 30 EARNING PER SHARE (EPS)

EPS is calculated by dividing the earning available for equity shareholders or loss attributable to equity shareholders by the weighted average number of equity shares outstanding the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below :

Profit (Loss) after tax	66,00,906	7,42,43,520
Weighted Number of Shares - Basic	1,70,59,250	1,70,59,250
EPS	0.39	4.35
Basic/Diluted Earning Per Share	0.39	4.35
Face value per share	10	10

### 31 ADDITIONAL INFORMATION

<b>a</b>	Value of imports calculated on C.I.F basis by the company during the financial year in respect of –		
<b>I</b>	i. Raw materials;	14,98,16,781	24,91,59,831
	ii. Components & Spare Parts	50,08,220	1,02,74,988
	iii. Capital Goods	79,32,386	3,24,61,514
	iv. Purchase of Trading Goods:-	-	-
<b>b (i)</b>	Total value of all imported raw materials, spare parts and components consumed during the financial year.	186781616 (14%)	213669331 (13%)
<b>b (ii)</b>	Total value of all indigenous raw materials, spare parts and components similarly consumed	1140901567 (86%)	1484575051 (87%)
<b>b (iii)</b>	Total consumption	1327683183 (100%)	1698244382 (100%)
<b>c</b>	Earnings in foreign exchange classified under the following		
	I. Export of goods calculated on F.O.B. basis;	15,47,21,606	18,55,25,078

### 32 CONTINGENT LIABILITIES :

Bank Guarantee Outstanding	1,83,09,000	2,73,73,004
Letter of Credit	-	3,47,79,756
Bonds Executed in Favour of Government Authorities in respect of EPCG Licence towards duty saved against which Export obligation has to be made.	6,14,01,000	6,14,01,000

Estimated amount of contract remaining to be excuted on capital account ant not provided for is Rs 30 Lakhs.

### 33 Key Assumptions in Calculating Provision for Defined Benefit Obligation:

Discount Rates (%)	7.83%	7.83%
Effective Rate of Salary Escalation (%)	5%	5%
Retirement Age (Years)	58	58
Days Of Salary for Gratuity:	15	15

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### 34 Financial Instrument-Accounting Classifications and fair value Measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

- 1 Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

- 2 Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Particulars	Fair Value		
	31-03-2020		31-03-2019
<b>Financial Assets</b>			
<b>Financial Assets ( Level 1 )</b>			
<b>Financial Assets at amorticed cost :- (Level 2)</b>			
Bank Deposits	1,57,00,907		1,33,48,733
Trade Receivables	26,18,17,467		23,89,90,547
Cash and Bank Balances	36,50,329		8,34,345
<b>TOTAL</b>	<b>28,11,68,702</b>		<b>25,31,73,625</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income :- (Level 3)</b>			
Investment in Equity shares of Ganga Care Hospital Ltd	11,00,000		11,00,000
<b>TOTAL</b>	<b>11,00,000</b>		<b>11,00,000</b>
<b>Financial Liabilities</b>			
<b>Financial Liabilities ( Level 1 )</b>	-		-
<b>Financial Liabilities at amorticed cost :- (Level 2)</b>			
Term Loans	7,57,54,227		12,56,78,318
Unsecured Loans	7,55,78,766		8,55,05,050
Long term borrowings	21,66,33,523		24,06,31,261
Trade Payable	20,38,63,310		19,12,67,425
Other Financial Liabilities	3,65,23,844		2,07,18,844
<b>TOTAL</b>	<b>60,83,53,670</b>		<b>66,38,00,897</b>
<b>Financial Liabilities at amorticed cost :- (Level 3)</b>			
Short Term Borrowings	53,96,00,000		49,34,00,000
<b>TOTAL</b>	<b>53,96,00,000</b>		<b>49,34,00,000</b>

### 35 Financial Risk Management Objectives and Policies :-

The Company's financial risk management is an integral part of how to plan and execute its business strategies :-

#### a) Market Risk :-

Market risk is the risk of loss of future earnings, or future cash flows arising out of changes in Market Conditions of Paper Industry, which include changes in prices of Raw Material (indigenously procured as well as import) .

The company manages market risk through evaluation and identification of risk factors with the object of governing/mitigating them according to Company's objectives and declared policies in specific context of impact thereof on operating performance of the company. The Board provides oversight and reviews the Risk management policy on regular basis.

#### b) Interest Rate Risk :-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is not exposed to significant interest rate risk as at the respective reporting dates.

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### c) Foreign currency risk :-

The Company operates internationally with transactions entered into several currencies. Still the Company is not exposed to foreign exchange risk as there are no financial instruments to be settled in foreign currency.

### d) Credit Risk :-

Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Particulars	31-03-2020		31-03-2019
Balance at the beginning of the year	-		-
Additional Provided	-		-
Reversed	-		-
Written Off	-		-
Balance at the end of the year	-		-

### e) Liquidity Risk:-

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. As per regular reviews by management, the company is not facing any liquidity risk.

(a) Amounts recognised in profit and loss		(Amounts in Rs.) For the year ended March 31, 2020		(Amounts in Rs.) For the year ended March 31, 2019
A. Current income tax		-		-
B. Opening Balance Deferred income tax liability / (asset), net		(5,73,85,001)		(8,39,66,662)
C. Origination and reversal of temporary differences		1,21,35,781		8,60,24,795
D. Deferred tax expense		41,65,000		2,65,81,662
E. Closing Balance Deferred income tax liability/(asset), net (B+D)		(5,32,20,001)		(5,73,85,001)
F. Tax expense/(income) for the year (A+D)		41,65,000		2,65,81,662

(b) Reconciliation of effective tax rate		For the year ended 31/03/2020		For the year ended 31/03/2019
Particular				
Profit before tax		1,07,65,906		10,07,89,095
Tax using the Company's domestic tax rate @ 33.384%		35,94,090		3,11,43,830
Tax effect of: Tax on Expenses not deductible for tax purposes		5,70,910		(45,62,169)
F. Tax expense/(income) for the year (A+D)		41,65,000		2,65,81,662

### 36 CSR Expenditure

The total CSR Expenditure required to be spent amounts to Rs. 11,51,000 out of which Rs. 5,51,000/- has been spent during the year.



## MALU PAPER MILLS LTD; NAGPUR

### 37 Impact of COVID -19:

#### Impact on Revenue

The macroeconomic consequences of the COVID-19 pandemic and the associated impact on our business remain difficult to assess. For certain, a recession is imminent whose extent, duration and development cannot be predicted. The demand for Kraft segment has a certain resilience and is currently doing well due to Groceries and Household product demand, but Newsprint segment expects to face challenges due to lower distribution of Newspapers in urban areas & lower advertisement bookings leading to effective reduction of publication content.

#### Capital & financial resources

The Company has adequate capital to meet business requirements.

#### Ability to service debt and other financial arrangements

We have been timely paying our statutory dues and are able to service debts on time and there is no default of any loan or interest commitments

#### Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact

The Company does not foresee any significant impact in respect of its existing contract and agreement where no fulfillment of obligations by any party to lead to any material or financial claim

### 38 OTHERS :

- a Balances of in various personal accounts remain unvarified since confirmation from parties awaited.
- b Balances of Loans, advances ,Creditors are as per books and subject to confirmation and reconciliation.
- c The current assets, loans and advances are approximately of the values stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
- d The GST Reconciliation form 9C & Audit of GST Return for the year ended 31st March 2019 is pending for filling, as the competent authority has extended the date of filling Till September 2020. The Company reconciles its GSTR2A with Books at every Quarter with Books. In view of management, Impact on Final Reconciliation will not be material
- e The Company has only one lease hold asset against which one time full premium has been paid Upfront. As there is no future payment is required, no further adjustment or accounting treatment under IND AS 116 is required.
- f The Board has decided not to Opt Consessional Income TAX Rate permitted u/s. 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. As the Benefit of Unabsorbed Depreciation & Business Losses are not available u/s 115BAA.
- g Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our Report of even date,  
For R.A.Kuvadia & Co.  
Chartered Accountants

For Malu Paper Mills Limited.

Punamchand Malu      Banwarilal Malu      Mayuri Asawa  
(Managing Director)    (Jt.Managing Director)    (Company Secretary)  
(Din 00301030)      (Din 00301297)  
Place : Mumbai  
Date : 27-06-2020  
UDIN : 20040087AAAAFO9871

R.A.Kuvadia  
Proprietor  
M.No. 040087  
FRN : 105487W



