

Date: **20-08-2021**

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 28th 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 28th AGM of the Company along with Annual Report 2020-21.

Kindly acknowledge the receipt of the same.

Yours faithfully,

For Malu Paper Mills Limited

POONAMCHAND
RAMLAL MALU
Digitally signed by
POONAMCHAND RAMLAL
MALU
Date: 2021.08.20 11:36:21
+05'30'

Punamchand Malu
Managing Director & CEO
DIN:00301030

Encl: as above





MALU PAPER

MILLS LTD.

ANNUAL REPORT FOR THE FINANCIAL YEAR 2020-21

**Heera Plaza, 4th Floor,
Near Telephone Exchange,
Central Avenue,
Nagpur – 440 008
Phones : 0712-2760308,2778506, 2733100
Fax : 0712- 2760310
Email : info@malupaper.com ;
contacts@malupaper.com**

MALU PAPER MILLS LIMITED

Founder

Late Mr Bhanwarlal Malu
(1924 - 2007)

Former Chairman

Late Mr Damodarlal Malu
(1946-2020)

Managing Director & CEO

Mr Punamchand Malu

Joint Managing Director

Mr. Banwarilal Malu

Non Executive Directors

Mr. Vasudeo Malu

Mr. Purshottam Malu
(Additional director - appointed w-e-f
November 09,2020)

Independent Directors

Mr. Chandrakant Thakar
Mr. Satyanarayan Rathi
CA. Shrutika Inani
CA. Sahil Agrawal(Additional director-
appointed w-e-f November 09,2020)

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

Cost Auditors

Khanuja Patra & Associates

CFO

Mr. Prakash Modi (Appointed w.e.f July 31,
2020)

Company Secretary & Compliance Officer

Ms. Mayuri Asawa

Registered and Corporate Office

Heera Plaza, 4th 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 28th Annual General Meeting of the members will be held on Wednesday, the 15th day of September 2021 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 Standalone Financial Results for the financial year ended on 31st March 2021 together with the Reports of the Board of Directors and the Auditors thereon; and.
2. To appoint a Director in place of Shri. Vasudeo Bhawarlal Malu (DIN: 00301313), who retires by rotation and being eligible, offers 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. Vasudeo Bhawarlal Malu (DIN: 00301313), who retires 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 29th 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 Ninth Annual General Meeting, at a remuneration as may be decided by the Board in consultation by the Board in consultation with them.”

SPECIAL BUSINESS

4. Appointment of Mr. Purshottam Ramlal Malu (DIN: 01720007) as a Non-Executive & Non Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of section 149,152, 161 and other applicable provisions of the Companies Act, 2013, read with the rules made there under, Mr. Purshottam Ramlal Malu (DIN: 01720007) who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on November 09, 2020, to hold office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company liable to retire by rotation”.

5. Appointment of Mr. Sahil Shankar Agrawal(Din:-02690403) as an Independent Director of the Company.

To Consider and if, thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and Section 161(1) read with [Companies \(Appointment and Qualification of Directors\) Rules, 2014](#),and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulations 16, 25 & and other relevant regulations) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Sahil Shankar Agrawal, who was appointed as an Additional Director in the category of ‘Non Executive Independent Director’ with effect from November 09, 2020 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as ‘Non-Executive Independent Director’ of the Company for a period Five (5) years upto November 08, 2025, not liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses as may be permissible under the law from time to time.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof and/or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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 31st March 2022, 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, 4th floor,
Central Avenue
Nagpur- 440008
Date:09th August, 2021

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

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.

In view of the outbreak of COVID 19 pandemic early in the year 2020 and the restrictions on movement of people and social distancing norms which followed and which are still in place, the Ministry of Corporate Affairs allowed conducting Annual General Meetings (hereinafter referred to as 'AGM') through Video Conference (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. The Ministry vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 prescribed the guidelines and manner of conducting the Annual General Meeting through VC/OAVM. Complying with the said circulars, the 28th Annual general meeting (AGM) of the members of the Company is to be held through Video conferencing (VC) where the Members can attend and participate in the AGM through the provided VC facility. The Company has availed the services of National Securities Depository Limited (NSDL) for the VC and E-voting arrangements. The deemed venue for the meeting shall be the registered office of the Company.

2. Since the AGM is being conducted through VC, there is no provision for appointment of proxies and hence proxy form and attendance slip are not included in this notice. The members will have to make themselves available at the scheduled time if they wish to attend the meeting. The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at www.malupaper.com, on the website of Stock Exchanges i.e. BSE Limited and NSE limited and on the website of NSDL at www.evoting.nsdl.com.
3. Members will be eligible to participate on first come first serve basis, as participation through VC is limited and will be closed on expiry of 15 minutes from the scheduled time of the AGM. Members can login and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. 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 January 13, 2021, 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 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 AGM will be provided by NSDL.

6. The Register of members and transfer books of the Company will remain closed from Wednesday, 08th September 2021 to Wednesday, 15th September 2021 both days inclusive.
7. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli West, 400 083 (RTA) enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio. As per the amended Provisions based on the PAN, all different folios of the same PAN will be treated as one folio.
8. Members, who hold shares in electronic / demat form are requested to furnish the change of address/mandate/bank details to their respective Depository Participants and who hold shares in physical form are requested to notify to the office of the RTA, quoting the folio number.
9. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by SEBI, the Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by sending an email to rnt.helpdesk@linkintime.co.in or contacts@malupaper.com. Post verification, the email id will be registered with the Company.
10. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 28th AGM by electronic means and the business may be transacted through remote voting Services provided by National Securities Depository Limited (NSDL).

The e-voting period commences on **Saturday, 11th September, 2021 at 09:00 A.M. and ends on Tuesday, 14th September, 2021 at 05:00 P.M.** During this period shareholders of the Company, holding shares as on cut-off date of Wednesday, 08th September 2021 either in physical form or in Dematerialized form, may cast their vote electronically. The e-voting portal shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. A member who has cast his/ her vote by electronic means are entitled to attend the AGM but not entitled to vote again at the AGM.

11. 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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general

meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

12. 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 AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
13. The Members can join the 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 AGM without restriction on account of first come first served basis.
14. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. 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 AGM will be provided by NSDL.
16. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at 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 and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
17. 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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-

The remote e-voting period begins on Saturday, 11th September, 2021 at 09:00 A.M. and ends on Tuesday, 14th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 08th September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 08th September 2021.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to

	<p>register is available at https://eservices.nSDL.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <ol style="list-style-type: none"> 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistra

	<p>tion</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL 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 :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Assistant Manager NSE at 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
2. 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. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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 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

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on November 09, 2020 had appointed Mr. Purshottam Ramlal Malu (DIN: 01720007) as an Additional Director. Pursuant to the provisions of the Companies Act 2013, Additional Director so appointed holds office upto date of ensuing AGM and is eligible for appointment as a director.

The Board is of the opinion that his appointment will be a value addition to the Company considering his vast experience in the relevant field.

Except Mr. Punamchand Malu(MD &CEO) of the Company and Mr. Purshottam Ramlal Malu (DIN: 01720007) himself, none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

Item No. 5 – Appointment of Mr. Sahil Shankar Agrawal (DIN:-02690403) as an Independent Director of the Company.

The members are informed that, the Board, based on the recommendations of the Nomination and Remuneration Committee, had appointed Mr. Sahil Shankar Agrawal(DIN:-02690403) as an Additional Independent Director of the Company with effect from November 09, 2020. Pursuant to the provisions of Section 161(1) of the Act, Mr. Sahil Shankar Agrawal holds office of Additional Director up to the date of this Annual General Meeting of the Company, and is eligible for appointment as an Independent Director, subject to approval of members.

In the opinion of the Board, Mr. Sahil Shankar Agrawal's rich experience and expertise in the accounts and finances for more than 10 years and his presence on the Board would be of great value to the Company and it is desirable to avail the services of Mr. Sahil Shankar Agrawal as an Independent Director. Further, he fulfills the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company.

The Company has received (i) consent in writing from Mr. Sahil Shankar Agrawal to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules") as well as , (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

The Company hereby seeks the approval of the members for the appointment of Mr. Sahil Shankar Agrawal as an Independent Director of the Company for a term of five (5) years w.e.f November 09, 2020 to November 08, 2025 pursuant to Sections 149, 150, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or reenactment(s) thereof) and his office shall not be liable to retire by rotation.

A brief resume of Mr. Sahil Shankar Agrawal is provided in the annexure to the Notice.

Except Mr. Sahil Shankar Agrawal (the appointee Director) none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholdings, if any in the Company. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice, for approval of the Members.

Item no. 6

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 2021-22 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 2021-22.

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

The Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice, for approval of the Members.

Registered Office:

Heera Plaza, 4th floor,
Central Avenue
Nagpur- 440008
Date : 09th August, 2021

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

Mayuri Asawa
Company Secretary & Compliance Officer

1. Details of the Appointee Director : The details of the Directors seeking appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (LODR) Regulation 2015) and Secretarial Standard - 2:

Sr. no	Name of the Director	Mr. Purshottam Ramlal Malu	Mr. Sahil Shankar Agrawal
i.	DIN	01720007	02690403
ii.	Age	64	36
iii.	Qualification	PUC	CA
iv.	Terms and conditions of appointment	Appointed as Non-Independent Non-Executive Director	Appointed as Independent, Non-Executive Director
v	Date of first appointment on the Board	09/11/2020	09/11/2020
vi.	Shareholding in the Company	303,083	NIL
vii.	Relationship with other Directors / KMPs	Brother of Mr. Punamchand Malu, (MD&CEO) of the company	N.A
viii.	Number of Board Meetings attended during the year	1	1
ix.	Chairman/ Member of the Committees of the Board of Directors of the Company	Member of NRC Committee	N.A
x.	Expertise in specific functional area/Experience	Mr. Purshottam Malu has diverse knowledge and experience of over 44 years in businesses such as Cement, Textile, Yarn, Synthetics, FMCG, Chemical, Paper etc. His other business interest includes dealing and trading in real estate properties and share & stock markets. His association provides valuable insights and perspectives to the Board for deliberation	Mr. Sahil Shankar Agrawal is a Chartered Accountant and has sound exposure of Taxation & Finance and has rich work experience as a Professional. Besides better corporate governance, his association provides valuable insights and perspectives to the Board for deliberation on complex financial matters.

		on business matters.	
xi.	Directorships held in other companies	<ul style="list-style-type: none"> • Ganpati Energy Private Limited • Shree Sales Corporation Private Limited • Frontline Commercials Private Limited 	<ul style="list-style-type: none"> • Nova Pads Private Limited • Shri Shyam Agro Products P.Ltd.
x.	Memberships / Chairmanships of committees of other companies	NA	NA
xi.	Remuneration last drawn	N.A	N.A

MALU PAPER MILLS LIMITED

REPORT OF BOARD OF DIRECTORS.

The Directors have pleasure in presenting the 28th Annual Report for the year ended 31st March 2021 along with the Audited Statement of Accounts with the Report of the Auditors thereon:

FINANCIAL RESULTS

(Rs.In Lakhs)

Particulars	FY 2020-2021	FY 2019-2020
Sales	16973.77	22632.17
Other Incomes	94.59	109.44
Total Revenue	17068.36	22741.60
Expenses	16400.32	21351.93
Profit before Interest, Tax, Depreciation & Amortization, finance cost and exceptional items	668.04	1389.67
Less: Financial Costs	778.12	792.31
Less: Depreciation & amortization expense	501.42	489.71
Profit / (Loss) before taxation	(611.50)	107.66
Less: Provision For Taxation	(34.43)	41.65
Profit/(Loss) After Tax	(577.07)	66.01
Other Comprehensive Income (net)	9.91	0
Total Comprehensive income for the year	(586.98)	66.01

KEY HIGHLIGHTS OF THE FINANCIAL PERFORMANCE:

During the year 2020-21, the Company recorded a turnover of Rs. 1,69,73,76,757 and net loss of Rs. 5,86,98,182 compared to the turnover of Rs. 2,26,32,16,621 and net profit of Rs. 66,00,906 previous year 2019-20. Covid-19 pandemic which started globally during the end of 2019 has affected people globally causing health crisis, impacting businesses and economy at large. The effect of this pandemic is still continuing. The reduction in turnover is mainly attributed to operational disruptions caused due to Covid19 pandemic. Despite the hardships the Management put its best efforts and with the support of the all the employees, achieved this turnover.

STATE OF AFFAIRS

The company is in the business of Manufacturing Newsprint, Writing & Printing paper and Kraft Paper. The overall profitability of the Company during the year under review, as compared to the previous year, has been adversely affected due to the unfavorable economic and market conditions prevailing throughout the year in all the business segments on account of disruptions caused by the COVID – 19 pandemic and the lockdown pursuant to Govt.'s directives to prevent spread of pandemic.

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 2020-21 the company produced 60,243 Mt of paper as against 85,213Mt produced in FY 2019-20. In FY 2019-20 the company produced 41,505 Mt (49%) of Kraft

paper and 43,708 Mt (51%) of Newsprint & Writing printing paper. In FY 2020-21, the company produced 51,214 Mt (85%) of Kraft paper and 9,029 Mt (15%) of Newsprint & Writing printing paper. There was a change in the product mix in FY 2019-20 to take advantage of the market scenario.

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.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no major change in the business of the company during the financial year ended 31st March, 2021.

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 31st March, 2021 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 31st March, 2021.

TRANSFER TO RESERVES

The Company transferred a sum of Rs (5,86,98,182)/- to Retained Earning Reserve during the financial year ended 31st March, 2021.

CHANGE IN SHARE CAPITAL

The Paid up Share Capital as on 31st March, 2021 is INR 170,592,500 comprising 17,059,250 Equity Shares of Rs.10/-each. There has been no change in the capital structure of the Company during the year.

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.

DISCLOSURE ON ACCOUNTING TREATMENT

The Company has not used any differential treatment which is not in compliance with accounting standards and the financials of the Company depict a true and fair view of the state of affairs of the Company.

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. Due to inadequate profits your Company has not spent towards CSR activities during the financial year 2020-21. The contents of the CSR policy and CSR Report for the year 2020-21 are 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, in its meeting held on November 09, 2020 appointed Mr. Purshottam Ramlal Malu (DIN 01720007) and Mr. Sahil Shankar Agrawal (DIN 02690403) as an additional directors designated as Non-Independent, Non-Executive Director and Independent Director respectively, who shall hold office upto the ensuing Annual General Meeting. Their appointments shall be further regularised on such terms and conditions proposed to be put before the members in the forthcoming Annual General Meeting for their approval.

Mr. Vasudeo Malu (DIN 00301313), the Non Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Chandrakant Thakar(00784189), Mr. Satyanarayan Rathi (01797378) and FCA. Shrutika Inani (06937649) 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, Mr. Shyamsunder Sarda (02399265), resigned as an Independent director of the Company with effect from October 28, 2020. The Board placed on record its sincere appreciation of the services rendered by him during his tenure with the Company.

During the year Mr. 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, 2021 are: Mr. Punamchand Malu - Managing Director, Mr. Banwarilal Malu - Jt. Managing Director, Mr. Prakash Modi- Chief Financial Officer and Mayuri Asawa - Company Secretary.

A resolution seeking shareholders' approval for the appointment of additional 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 the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"); the Board of Directors have carried out an annual evaluation of its own performance as a whole, the directors individually as well as the evaluation of the working of its Committees.

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The Board of Directors expressed their satisfaction with the evaluation process.

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 RECORDS & COST AUDIT

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 31st March 2021. The audit 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 was 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. 2020-21.

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 31st March 2021 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.

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 POLICY

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks faced by the Company to ensure that risk is controlled by the management through the means of a properly laid-out framework.

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.

Further all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2020-21. A declaration to this effect signed by the Managing Director & CEO of the Company also forms part of this Annual Report.

Additionally, CEO/CFO Certification as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

A Certificate from Practicing Chartered accountant regarding the compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations is annexed to this Report.

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report in accordance with Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) forms part of this Annual Report as **Annexure A**.

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

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 B** to this Director’s Report.

Web Address of the Annual Return

Pursuant to the provisions of Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, a copy of the Annual Return of the Company is available at the Company’s website <http://www.malupaper.com/investors/>

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'.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:

None of the employee, including Key Managerial Personnel, was drawing in excess of the limits prescribed by Section 197(12) read with Rule 5(1) 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	Mr. Punamchand Malu	20,00,000	171,098	11.68
2	Mr. Banwarilal Malu	20,00,000	171,098	11.68
Non Executive Directors/Independent Directors				
3	Mr. Damodarlal Malu	NIL	-	-
4	Mr. Vasudeo Malu	NIL	-	-
5	Mr. Chandrakant Thakar	NIL	-	-
6	FCA. Shrutika Inani	NIL	-	-
7	Mr. Satyanarayan Rathi	NIL	-	-

8	Mr. Shyamsunder Sarda	NIL	-	-
Key Managerial Person				
9	Mr. Prakash Modi, CFO	8,68,800	N.A	N.A
10	CS Mayuri Asawa	2,16,000	N.A	N.A

- a) There is no increase in the remuneration of Executive directors, Chief Financial Officer and Company Secretary in the financial year.
- b) The percentage decrease in the median remuneration of employees in the financial year: 32%
- c) The number of permanent employees on the rolls of Company: 201

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 : 09/08/2021
Place : Nagpur

By Order of Board of Directors

Punamchand Malu
Managing Director & CEO
(DIN:00301030)

Banwarilal Malu
Jt. Managing Director
(DIN:00301297)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

GLOBAL

During last one-year, the entire world has witnessed a serious challenge on account of the Covid-19 pandemic. Due to the pandemic, entire world was on standstill continuously for weeks together. Therefore, almost all paper consumption centers i.e. schools, colleges, educational institutions, offices, court, judiciary, airports, bus stands, railway stations, malls, shopping centers as well as public meetings etc, were either closed or on hold, during this period. As a result, there was dis-equilibrium between consumption and supply pattern of many essential commodities including paper & paper products. Paper industry being one of the oldest and core industrial manufacturing sector in the world, this industry always acts as a mirror of socio-economic developments. Last one year, was one of the worst years for the paper industry. Industry has lost not only its business volumes, but also price realisation to a large extent. Gradually, this crisis is softening, and world-wide economy is expected to open up shortly and become fully functional. Till then, gaps will remain in consumption and supply sources.

Printing & Writing Paper

Printing & writing suffered its worst decline in 2020, with operating rates tumbling to as low as 50% during the worst of the crisis, in the U.S. However, the sector began to recover from Aug 20 onwards. Global demand is estimated at 102 million tonnes and an increase of 1.8 million tonnes is expected in 2021. For the total graphic paper sector, since 2015, nine million tonnes of capacity have closed of which half was converted into other grades.

Packaging Grades

In the last couple of years, a global downturn in manufacturing followed by Covid-19, has hurt paper & packaging demand. China and Europe have suffered big drops in 2020. In 2019, global demand for packaging was 265 million tonnes with Asia accounting for about 40% of demand. In North America, two thirds of demand is for container board which is closely tied to the manufacture of consumer goods. Carton Board is about 25% of the market, balance was met by wrapping and industrial grades. There has been a 36% drop in away from home activities in North America. Cup-stock demand fell sharply due to sudden loss of demand from entertainment sector. In Europe demand growth is slowing and over-supply is developing with one million tonnes of new capacity added in 2020. In Asia, Chinese recovered paper policies are changing the way Companies are operating around the globe. Chinese container board production fell by 4 million tonnes in 2020. In rest of Asia, demand has declined but should rebound in 2021. Shifts in retail trade are giving a boost to corrugated demand. Overall, an annual increase of 1.5% is expected through 2022.

DOMESTIC

Paperboard demand is expected to de-grow 4-7% on year in fiscal 2021, on account of muted demand across major end-user industries along with lower export demand (paperboard used for packaging of goods). In fiscal 2020, paperboard demand registered a moderate growth 3.9% on-year due to moderation in demand from FMCG and consumer durables sectors. However, we expect growth to recover to 5-6% CAGR in the next five fiscals to -12.5 million tonne by fiscal 2025. This revival will largely emanate from growth in sectors such as consumer durables, readymade garments, FMCG, pharmaceuticals: and rising penetration of e-commerce during this period. In the current fiscal, demand for consumer durables is expected to de-grow

20-25% in volume terms but recover and increase at 3-4% CAGR between fiscals 2020 and 2025. This will be marked by better affordability, shorter replacement cycles, multiple ownership (in case of CTVS) and low penetration levels (in case of other appliances such as room ACs). FMCG volumes are expected to remain flat this fiscal, which is the major demand driver for paperboard. But over the long term, rise in population and gradual increase in private spends would keep demand from the FMCG segment afloat. Demand from the readymade garment industry, too, is expected to de-grow 25-30% on-year in volume terms this fiscal. However, long-term demand is expected to remain steady at 4-6% CAGR. E-retailing growth is expected to register a healthy 15-20% growth this fiscal but rapidly rising shipments in the e-retail industry (estimated at 1.2-1.5 million shipments per day) and rise in penetration levels in overall retail will provide a fillip to the volumes within the segment over the medium term. Similarly, Pharma is also expected to grow by a healthy 9-11% on-year, supporting the paperboard demand. Within paperboard, the consumer packaging segment (40-50% of volumes), is expected to clock 5.5-6.5% CAGR up to fiscal 2025, driven by rise in demand for FMCG, pharmaceuticals, cosmetics and apparels. Higher disposable income and higher demand for ready-to-eat foods will support overall volumes. Demand from pharmaceuticals will also be aided by increased exports and new drug launches. Further the ban on single-use plastics is expected to augur well for the paper industry.

In fiscal 2021, demand for newsprint is expected to de-grow sharply by 30-35% on account of severe contraction of newspaper circulation and reduction in no of pages. Demand for newsprint is expected to de-grow at 4-5% CAGR between fiscals 2020 and 2025 on account of decrease in circulation of both vernacular as well as English newspapers due to increased Smartphone and internet penetration and shift in preference towards e-newspaper. Demand remained seriously affected due to disruption in the consumption of printed books, note books and commercial grade printing as most of the educational institutions, Government and Commercial establishments reduced drastically. However, in long run, demand will revive due to Government spending education under Right to Education Schemes and gradual revival of economy. Demand of Newsprint is also affected due to reduction of circulation to semi-urban areas, increased circulation of E- Newspapers and decline in advertisement revenue of the newspaper publishers which is likely to reach to the Pre-COVID level with the revival of economy and withdrawal of restrictions in the movement of people. Demand of Printing Paper also affected due to lower spending on calendars, brochures, magazines etc. which is expected to rise with the increased government spending, corporate supplies and jobbers' requirements.

STRENGTH & OPPORTUNITIES

The competitive strengths and the opportunities that are available to the Indian Paper Industry are:

- During the last decade, China become the focal manufacturing hub for many global business operations. However, after being seriously impacted with COVID – 19, global consumer mainly from US & Europe started looking at India as an alternative and reliable source of manufacturing.
- Because of Covid-19, in general, even a poorest person is more & more conscious about health, hygiene and cleanliness aspects of his life. This awareness is helping in widening boundaries of the market for Tissue and Packaging Board segments of paper industry.
- Paper consumption centers are expected to become fully functional (i.e. full fledge operations in schools, colleges, offices, judiciary etc.) once herd immunity sets-in post vaccination or otherwise. Once that happens, it will reinvigorate demand for paper.
- Government's thrust for improving education and literacy levels in the Country.
- Rebut growth in e-commerce, FMCG, Consumer Goods & Pharma to drive paper board demand.
- With a number of countries replacing plastic bags with paper equivalents, paper industry opportunities are growing.

WEAKNESS & THREATS

The following competitive weaknesses and threats confront the Industry:

- Most of domestic manufactures depend upon imported items like Pulp, Chemicals & Spares. With more & more countries following lockdown procedures as an immediate precautions 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 dependence on imports to meet domestic needs.
- Increasing imports consequent on numerous Regional Trade Agreements (RTAs) / Free Trade Agreements (FTAs) entered into by the Govt without adequate safeguards.
- Demand for newsprint is expected to de-grow on account of decrease in circulation of both vernacular as well as English newspapers due to increased Smartphone and internet penetration and shift in preference towards e-newspaper.

Paper Industry is capital intensive and yields poor returns on investments. To enhance the competitiveness of the Industry, Govt must address the issues of creation of robust raw material base as well as extending fiscal incentives for assimilation of eco-friendly technologies, etc. International Competitiveness is the key issue that is confronting the Indian Paper Industry, today especially in the context of Government's resolve to bring down import tariff every year and RTAs/ FTAs entered into with ASEAN / SAARC countries. The major players, alive to the emerging international threats, have been aggressively pursuing quality improvement programmes, coupled with cost rationalisation and capacity additions. Increasingly, more up-to-date technologies are sought to be implemented, with added focus on environmental compliance.

SEGMENT WISE PERFORMANCE

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

RISKS AND CONCERNS

- Unprecedented and rapid spread of Covid-19 and its impact on economic recovery affecting the industry's futures.
- Disruptions in supply-chain affecting availability and prices of key input materials as well as in shipping costs.
- Post COVID-19, a huge downturn in the fortunes of Paper Industry is predicted, given the hit on demand from education, corporate and print media sectors due to the prolonged nation-wide lockdown.
- Newsprint, Writing & Printing paper segment which is the prime grade among Company's products, is expected to be impacted more severely in the near term.
- Undue fluctuation in the exchange rate between Indian Rupee and US Dollar will impact the margins of the Company.

FUTURE OUTLOOK

- Paper Industry which was one of the worst hit in the wake of the COVID-19 pandemic, has been witnessing signs of revival from Q4 of 2020-21 onwards. However, the escalating second wave of COVID-19 infection poses serious down-side risks to the economy and heightens the possibility of business disruptions - according to an S&P Global Ratings report.
- The company has developed fluting paper using the existing Newsprint and Writing & Printing Machine which have huge export market. Medium to long-term outlook of the Indian paper industry is positive and is expected to grow in-line with the country's GDP and economy.
- Demand is expected to be positive for pharmacy, food and essential packaging segment. Overall demand growth will be better due to increase in e-commerce, pharmacy, FMCG and other consumer

packaging. Demand of single use paper cup and disposables are expected to be high. However, post COVID-19 pandemic, there will be growth opportunities for the Indian Paper, print and packaging industry, disposable cups, bowls and cartons, corrugated boxes and branded packaging for online delivery and sealable paper products as substitute for single use plastics. Demand from the education sector will also get momentum once the situations normalize after COVID-19.

- India is one of the fastest growing economies globally and the Government of India is determined to make it a five trillion economy by 2025. The projected growth in the economy is expected to boost the disposable income and that, in turn, would raise consumption, particularly in FMCG and other consumable products, e-commerce industry, branded products packaging, sealable paper packaging bags. Growth in consumable products would drive the consumption of paper required in packaging. With the growth in the consumption of paper, concern is now focused on sustainable manufacturing practices.
- Barring the short-term challenges created by the pandemic, the country's paper industry is in good health; especially the paperboard segment accounts for 52% of paper requirement in our country. The government's thrust on the education sector is likely to boost paper demand from a per capita consumption figure of 13 kg which is considerably lower than the international average.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The Company has laid down adequate systems and well drawn procedures for ensuring internal financial controls. It has appointed an external audit firm as Internal Auditors for periodically checking and monitoring the internal control measures. The Board of Directors have adopted various policies for ensuring the orderly and efficient conduct of the business of the Company, 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. The Statutory Auditors have also expressed satisfaction with the existing system in their Audit Report to the Shareholders.

COMPANY FINANCIAL PERFORMANCE & SIGNIFICANT RATIOS

Sr. No.	Particulars	(Rs. in Lakhs)	
		2020-21	2019-20
01.	Total Income	17068.36	22741.60
02.	EBITDA	668.04	1389.67
03.	Less: Finance Cost	778.12	792.31
04.	Profit Before Depreciation & Tax	(110.08)	597.37
05.	Less: Depreciation	501.42	489.71
06.	Profit Before Tax	(611.50)	107.66
07.	Less: Deferred/Current Tax	(34.43)	41.65
08.	Profit After Tax	(577.07)	66.01
09.	Add: Other Comprehensive Income(Net of Tax)	(9.91)	0.00
10.	Net Profit for the Year	(586.98)	66.01
11.	Debtors Turnover Ratio	5.22	8.64
12.	Inventory Turnover Ratio	6.03	10.40
13.	Current Ratio	0.57	0.54
14.	Debt Equity Ratio	3.83	2.83
15.	Interest Coverage Ratio*	0.00	1.14
16.	Operating Profit Margin*	0.00	9.18
17.	Net Profit Margin*	0.00	0.48

* Loss incurred during the year

Covid - 19 pandemic and lockdown protocols have led to severe disruptions, affecting production, sales and profit during current reporting period. Therefore, the performance of the company for this period is not comparable with corresponding period or any period of previous year. The Company registered lower profits in FY 2020-21 mainly on account of the Covid-19 related market disruptions and consequent lower volumes of production / sales, lower net sales realizations and higher finished goods inventory of Paper at the close of March 31, 2021.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

The Company employs 201 persons in all ranks in its two units as on 31st March, 2021. The company continuous to accord the highest priority to health and safety of its employees an 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 31ST MARCH, 2021**

(Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**To,
THE MEMBERS,
MALU PAPER MILLS LIMITED,
CIN - L15142MH1994PLC076009
HEERA PLAZA, 04TH 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 31st March, 2021 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 31st March, 2021, 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:

Observations:

1. The company has not spent its CSR liability for the F.Y 2020-21 due to inadequate profit. As informed to us, it may pay by Sep 30, 2021 in the funds specified in Sch VII of CSR Rules.
2. The company has paid penalty of Rs.9440/- to each Stock Exchange(BSE & NSE) for late submission of Annual report to for the year 2019-20.

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 : 09th August, 2021

Place : Nagpur

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

'ANNEXURE - B'

To,

**MALU PAPER MILLS LIMITED,
CIN - L15142MH1994PLC076009
HEERA PLAZA, 04TH 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 : 09th August, 2021

Place: Nagpur

CS YUGANDHARA KOTHALKAR
PRACTICING COMPANY SECRETARY,
MEMBERSHIP No. – 28673
CP No. – 10337

‘ANNEXURE - C’

To Directors Report 2021

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

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

A. Conservation of energy

	Power & Fuel Consumption	Current Year	Previous Year
1	Electricity (Purchased) Units	1,18,29,747	1,28,07,421
	Total Amount	9,64,41,784	10,18,07,623
	Rate per Unit	8.15	7.95
2	Electricity (Generated) Units	1,59,78,100	3,82,03,200
	Diesel consumed in Liters	-	-
	Total Amount	-	-
	Rate per Unit	-	-
3	Total Units consumed	2,78,07,847	5,10,10,621

B. Consumption per unit of production

Quality		Kwh/MT	Kwh/MT
Kraft Paper	:	272.30	288.28
Newsprint, Writing & Printing Paper	:	850.57	893.33

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

	31st March, 2021	31st March, 2020
Amount in Rs		
(a) Capital	NIL	NIL
(b) Revenue		
(c) Total		
(d) Total R&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.

(c) 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:

	Amount in Rs	
	Current Year	Previous Year
Earning	48,78,37,761	14,13,58,109
Outgoing	19,83,57,852	16,56,94,346

Date : 09/08/2021
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 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 not fulfilled its obligation towards CSR expenditure due to inadequate profit, however The Company looks forward to achieve greater success in terms of revenue, profits and building brand image in the market in which it operates in the upcoming years and thereby looks forward to fulfill its obligation for the upliftment of the society in which it operates through its CSR initiatives. Also company have identified the project for fulfilling the obligation but due to covid pandemic situation we were unable to spend the same but we assure that we will spend the said amount within the time frame give under the law.

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:

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

Committee Composition-
CSR Policy

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).- Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off	Amount required to be set-off for the financial from preceding financial years (in Rs)
Not Applicable			

6. Average net profit of the Company for the last three financial years: Rs. 4,43,78,032./-
7. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.8,87,560/-

Details of CSR spent during the financial year:

- a) Prescribed CSR expenditure – Rs.8,87,560/-
b) Amount spent on CSR - Nil
c) Amount unspent, if any: Rs.8,87,560/-

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)			
	Total Amount transferred to <input type="checkbox"/> Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
	Amount	Date of Transfer	Amount	Date of Transfer
Nil	Nil		Nil	

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

Sr. no	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred To any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (in Rs.)
	2019-20	Nil	5,51,000/-	Nil	600,000

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

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) CSR Committee Responsibility Statement):- **Inadequate profit**

Date: 09/08/2021

On behalf of Board of Directors

Place: Nagpur

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 2020-21 as incorporated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company's approach to Corporate Governance and the role it plays goes well beyond meeting our compliance obligations. The Company strives to be transparent, ethical and maintain high level of integrity in the conduct of its business and also in its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities. The Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance from Management of the Company.

The company follows all the principles of Corporate Governance in its true spirit and at all times.

2. BOARD OF DIRECTORS:

a. Composition and category of directors:

The composition of Board of Directors of the Company has an optimum combination of executive and non-executive directors in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations").

The Board of Directors comprises optimum mix of Six Non-Executive Directors and two Executive Directors as on 31st March 2021.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

i)	Non-Executive Directors:	DIN
a)	Promoter Group	
	1 Mr. Vasudeo Malu	00301313
	2 Mr. Purushottam Malu	01720007

- b) **Independent**
- | | | |
|---|---------------------------|----------|
| 1 | Mr. Satyanarayan Rathi | 01797378 |
| 2 | Mr. Chandrakant Thakar | 00784189 |
| 3 | FCA Shrutika Inani | 06937649 |
| 4 | Mr. Sahil Shankar Agrawal | 02690403 |

- ii) **Executive Directors:**
- | | | |
|---|---------------------|----------|
| 1 | Mr. Punamchand Malu | 00301030 |
| 2 | Mr. Banwarilal Malu | 00301297 |

- b. Attendance of each Director at the meetings of Board of Directors held during the financial year 2020-21, 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
Mr. Damodarlal Malu	Non-Executive Chairman	2	N.A	Brother of Mr Punamchand Malu
Mr. Punamchand Malu	Executive	4	YES	Brother of Mr Purushottam Malu
Mr. Banwarilal Malu	Executive	5	YES	Brother of Mr. Vasudeo Malu
Mr. Vasudeo Malu	Non-Executive, Non-Independent	3	YES	Brother of Mr Banwarilal Malu
Mr. Purushottam Malu	Non-Executive, Non-Independent	1	YES	Brother of Mr Punamchand Malu
Mr. Satyanarayan Rathi	Non-Executive, Independent	5	YES	-
Mr. Chandrakant Thakar	Non-Executive, Independent	2	YES	-
FCA. Shrutika Inani	Non-Executive, Independent	5	YES	-
Mr. Sahil Agrawal	Non-Executive, Independent	1	NO*	-
Mr. Shyamsunder Sarda	Non-Executive, Independent	1	YES	-

* Mr. Sahil Shankar Agrawal appointed on the board of the company w-e-f 09/11/2020.

- 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 27/06/2020, 31/07/2020, 31/08/2020, 09/11/2020 and 09/02/2021 during the financial year.

d. Number Of Directorships/Committee Positions Of Directors As On 31 March 2021

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	
Mr. Punamchand Malu	1	-	4	-	-	Malu Paper Mills Limited- Executive Managing Director & CEO
Mr. Banwarilal Malu	1	-	3	1	0	Malu Paper Mills Limited- Jt Managing Director
Mr. Purushottam Malu	1	-	3	1	-	Malu Paper Mills Limited- Non Executive Director
Mr. Vasudeo Malu	1	-	1	-	-	Malu Paper Mills Limited- Non Executive Director
Mr. Satyanarayan Rathi	1	-	-	2	1	Malu Paper Mills Limited- Non Executive Independent Director
Mr. Chandrakant Thakar	1	1	0	2	-	Malu Paper Mills Limited- Non Executive Independent Director
FCA. Shrutika Inani	1	-	-	1	1	Malu Paper Mills Limited- Non Executive Independent Director
Mr. Sahil Agrawal	1	-	2	0	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
1	Mr. Vasudeo Malu, Non Executive Director	7,26,424
2	Mr. Purushottam Malu	3,02,083
3	Mr. 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 details on familiarization programme is disclosed on the website of the Company at www.malupaper.com.

A formal familiarization programme was conducted to familiarize independent directors about Impact of COVID-19 on the operation of the company and steps taken to ensure functioning of operations and also to familiarize independent directors 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	Industry knowledge	Sales, Marketing and International Business	Interpretation of Financial Statements	Understanding of laws, rules and regulations
Mr. Punamchand Malu	High	Moderate	High	High	High	High
Mr. Banwarilal Malu	High	Moderate	High	High	High	High
Mr. Vasudeo Malu	High	Moderate	High	High	High	High
Mr. Purushottam Malu	High	Moderate	High	High	High	High

Mr. Satyanarayan Rathi	High	Moderate	High	High	High	High
Mr. Chandrakant Thakar	High	Moderate	High	Moderate	High	High
FCA. Shrutika Inani	High	High	High	Moderate	High	High
Mr. Sahil Agrawal	High	High	High	Moderate	High	High

- h. The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfill 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, Mr. Shyamsunder Sarda, an independent director resigned due to personal reasons.

h. Independent Director Databank Registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all the Independent Directors have completed the registration with the Independent Directors Databank.

Requisite disclosures have been received from the directors in this regard.

3. AUDIT COMMITTEE:

The Audit Committee as on 31-03-2021 comprised of three independent Non-Executive Directors namely FCA Shrutika Inani (Chairman of the Committee), Mr Satyanarayan Rathi and Mr 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.

The members of the Audit Committee are financially literate and have experience in financial management.

The Committee invites the Managing Director, CFO, Statutory Auditors and Internal Auditor to attend the meetings of the Committee for meetings/ matters which requires their participation. Company Secretary of the Company acts as Secretary to the Committee.

During the year under review 04(Four) meetings were held on 27/06/2020, 31/07/2020, 09/11/2020 and 09/02/2021. The following table gives attendance record:

Sl.No.	Name of the Members of Audit Committee	Category	Number of Meetings held	Number of Meetings attended
1	FCA Shrutika Inani	Non-Executive & Independent	4	4
2	Mr Satyanarayan Rathi	Non-Executive & Independent	4	3
3	Mr Chandrakant Thakar	Non-Executive & Independent	4	2

4. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee as on 31-03-2021 comprised of three independent Non-Executive Directors namely Mr. Chandrakant Thakar (Chairman of the Committee), Mr. Satyanarayan Rathi and Mr. Purushottam Malu.

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.

During the year under review 02 (Two) meetings were held on 27/06/2020 and 03/11/2020.

The following table gives attendance record:

Sl.No.	Name of the Members of Shareholders' Grievance Committee	Category	Number of Meetings held	Number of Meetings attended
1	Mr. Satyanarayan Rathi	Non-Executive & Independent	2	2
2	Mr. Chandrakant Thakar	Non-Executive & Independent	2	2
3	Mr. Shyamsunder Sarda*	Non-Executive & Independent	2	0
4	Mr. Purushottam Malu**	Non-Executive & Non Independent	N.A	

*Mr. Shyamsunder Sarda has resigned from the position of director of the company w-e-f 28/10/2020 and therefore ceased to be the member of Nomination and Remuneration Committee from the same date.

** Mr. Purushottam Malu is appointed as a member of board and member of Committee w-e-f 09/11/2020.

5. SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Shareholders' Grievance Committee as on 31st March 2021 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, 2021.

The Committee met on 31/08/2020 in which three directors were respectively present.

Sl.No.	Name of the Members of Shareholders' Grievance Committee	Category	Number of Meetings held	Number of Meetings attended
1	Mr Satyanarayan Rathi	Non-Executive & Independent	1	1
2	Mr Chandrakant Thakar	Non-Executive & Independent	1	1
3	Mr Banwarilal Malu	Executive Jt. Managing Director	1	1

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Sl. No.	Name of the Members of Shareholders' Grievance Committee	Number of Meetings held	Number of Meetings attended
1	Mr. Punamchand Malu	1	0
2	Mr. Banwarilal Malu	1	1
3	Mr. Satyanarayan Rathi	1	1

7. MEETING OF INDEPENDENT DIRECTORS:

During The year under review, all the Independent Directors of the Company met on 31st August, 2020, 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.

8. REMUNERATION OF DIRECTORS:

- i. During the financial year 2020-21, the Company has made the following payments to the Non-executive Directors/Independent directors:

Sr.no	Name of Director	Sitting Fees (Rs.)
1.	Mr. Damodarlal Malu*	10,000/-
2.	Mr. Vasudeo Malu	15,000/-
3.	Mr. Chandrakant Thakar	10,000/-
4.	Mr. Shyamsunder Sarada**	5000/-
5.	Mr. Satyanarayan Rathi	25,000/-
6.	FCA. Shrutika Inani	25,000/-
7.	Mr. Purushottam Malu***	5000/-
8.	Mr. Sahil Agrawal***	5000/-

The details of remuneration paid to Managing Directors for the F.Y. 2020-21 is given as follows: (No sitting fees are paid to the Managing Directors):

Director	Designation	Term	Remuneration (including all perquisites)
Mr. Punamchand Malu	Managing director & CEO	five years from 1 st Day of April, 2020	2,000,000/-
Mr. Banwarilal Malu	Jt. Managing director	five years from 1 st Day of April, 2020	2,000,000/-

The Company has not issued any stock options to its directors.

* Mr. Damodarlal Malu ceased to be the director of the company w-e-f 29/08/2020 due to demise.

**Mr. Shyamsunder Sarada resigned as a director w-e-f 28/10/2020

*** Mr. Purushottam Malu and Mr. Sahil Agrawal is appointed as a directors of the company w-e-f 09/11/2020.

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

- 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.
- 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.
- 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, 2021.

9. GENERAL BODY MEETINGS

Financial year ended	Date & Time	Venue	Nature	Special Resolutions passed
31 March, 2020	24 th day of September, 2019 at 3:00 p.m	The meeting was conducted through video conferencing	Annual General Meeting	No special resolutions passed
31 March, 2019	27 th day of September, 2019 at 3:00 p.m	Registered office of the company at “Heera Plaza”, 4 th Floor, Near Telephone Exchange, Central Avenue, NAGPUR (India)- 440 008	Annual General Meeting	<ul style="list-style-type: none"> • To Re-appoint Mr Satyanarayan Rathi (DIN 01797378) as an Independent Director for a second term of five consecutive years. • To Re-appoint Mr. Shyam sunder Sarda (DIN 02399265) as an Independent Director for a second term of five consecutive years. • To Re-appoint FCA. Shrutika Inani (DIN 06937649) as an Independent Director for a second term of five consecutive years. • Continuance of Directorship of Mr Chandrakant Thakar (DIN 00784189(Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) • To Re-appoint Mr Chandrakant 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	Registered office of the company at “Heera Plaza”, 4 th Floor, Near Telephone Exchange, Central Avenue, NAGPUR (India)- 440 008	Annual General Meeting	<ul style="list-style-type: none"> To Increase the remuneration of Managing Director To Increase the remuneration of Joint Managing Director To Increase the remuneration of Vice President(Purchase)

During the financial year 2020-21 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

- 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 <https://www.malupaper.com/investors/>
- 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: <https://www.malupaper.com/investors/> contains separate section for investors where shareholders information is made available.

• GENERAL SHAREHOLDERS INFORMATION

a. Twenty Eighth Annual General Meeting:

Date : 15th September, 2021.

Time : 3.00 PM

Venue : The AGM will be conveyed through Video Conferencing / Other audio-visual means.

Dates of Book Closure:

09th September 2021 to 15th September 2021 (both days inclusive).

b. Financial Calendar of the Company:

The Financial Year covers the period from April 1, 2021 to March 31, 2022.

Financial Reporting for 20-2021 (Tentative)

First Quarter results (April - June)	On August 09, 2021
Second Quarter results (July – Sept)	On or before November 14, 2021
Third Quarter results (Oct – Dec)	On or before February 14, 2022
Annual Results audited (Audited)	On or before May 30, 2022

c. Dividend Payment date:

No Dividend recommended for FY 2020-21 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 2021-22 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

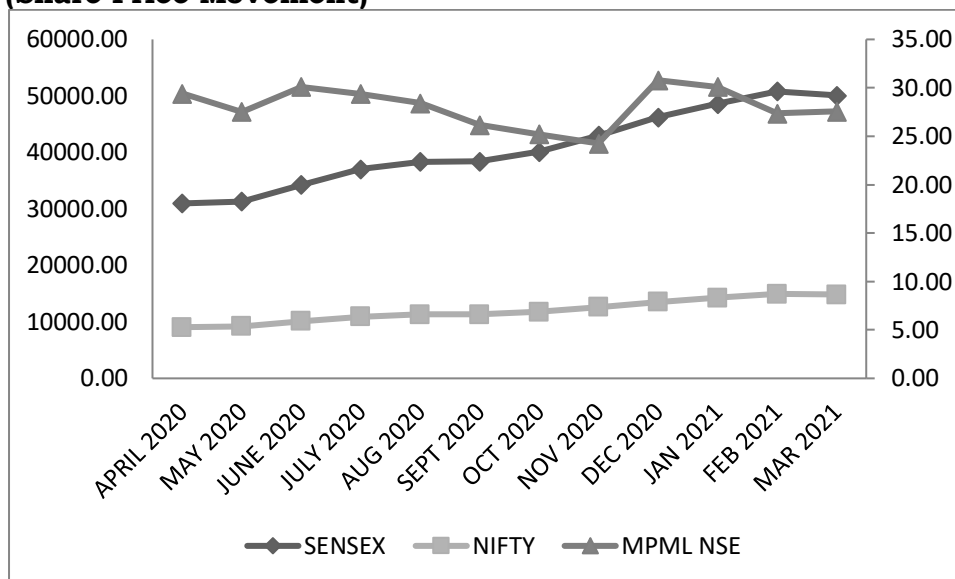
f. Market Price Data

The details of monthly high and low quotations of the equity shares of the Company traded at BSE and NSE from April 01, 2020 to March 31, 2021 are given below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2020	36.80	21.05	36.50	21.20
May, 2020	30.20	26.30	30.25	25.90
June, 2020	36.00	26.20	36.00	27.00
July, 2020	34.00	27.00	32.25	27.00
August, 2020	30.55	25.95	32.40	24.45
September, 2020	28.50	24.00	29.50	24.05
October, 2020	28.10	22.85	28.70	22.90
November, 2020	27.50	22.10	26.60	22.45
December, 2020	35.40	25.00	35.20	24.15
January, 2021	31.90	26.50	31.00	26.50
February, 2021	29.60	26.00	29.50	26.20
March, 2021	30.75	25.20	31.00	25.60

- 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 31-03-2021:

Shareholding of Shares			Share holders		Total Shares	
			Number	%	Shares	%
1	-	500	5280	79.8186	786835	4.3540
501	-	1000	672	10.1587	559156	3.0225
1001	-	2000	314	4.7468	480601	2.5117
2001	-	3000	101	1.5268	261628	1.4077
3001	-	4000	41	0.6198	146784	1.0032
4001	-	5000	31	0.4686	148203	0.8725
5001	-	10000	67	1.0128	489118	3.2046
10001	And	Above	109	1.6478	14186925	83.6238
TOTAL			6615	100.0000	1,70,59,250	100.0000

k. Shareholding Pattern as on 31-03-2021:

Category	No. of Shares held	% of Share holding
Individual/HUF promoters	8348984	48.94
Promoters Corporate Bodies	3584024	21.01
Indian Public	5088025	29.83
NRIs	38217	0.22
TOTAL	17,059,250	100.00

l. Dematerialisation of Shares:

As at 31st March 2021, 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, 4th Floor,
Near Telephone Exchange,
Central Avenue,
Nagpur – 440 008 (MS)
Tel. No: (0712) 2760308; 2778506
Fax. No. (0712) 2760310
Email: info@malupaper.com ; 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

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 2019-20 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.
- During the period under review, the company has paid penalty of Rs.9440/- to each Stock Exchange(BSE & NSE) for late submission of Annual report for the year 2019-20.

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 blower policy of the Company can be accessed through its website www.malupaper.com

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

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

**CEO / CFO CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR)
REGULATIONS 2015**

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 2020-21 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: 09/08/2021
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, 2021.

I confirm that the Company has in respect of the year ended March 31, 2021, 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, Mr. Prakash Modi and the Company Secretary, Ms. Mayuri Asawa as on March 31, 2021.

Date : 09/08/2021
Place : Nagpur

**Punamchand Malu
Managing Director & CEO**



R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS

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

In Reply Please Quote

Auditors' Certificate on compliance with the conditions of Corporate Governance under Regulation 17 to 27 & 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, 2021, 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, 2021;

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

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

We have examined the books of accounts 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 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.

Other Matters

The Company has not complied with the provisions of Sec 135 of the Companies Act 2013 relating to spending on Corporate Social Responsibility (CSR) due to inadequacy of profits during the year.

Our opinion is not qualified with respect to the above matter.

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 for the year ended March 31, 2021.

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
FRN: 105487W**

**Place: Mumbai
Date: 09.08.2021**

**R. A. Kuvadia
(Proprietor)
M. No. 040087
UDIN: 21040087AAAAPX8572**

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

**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)**

To,
The Members of
Malu Paper Mills Limited
Registered Office: Heera Plaza,4th floor,
Near Telephone Exchange,
Central Avenue, Nagpur –400008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Malu Paper Mills Limited** having **CIN: L15142MH1994PLC076009** and having registered office at **Heera Plaza,4th floor, Near Telephone Exchange,Central Avenue, Nagpur –400008** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority.

Sr. no	Name of Director	DIN	Date of appointment in Company
1	Mr. Poonamchand Ramlal Malu	00301030	11/01/1994
2	Mr. Banwari Bhanwarlal Malu	00301297	11/01/1994
3	Mr. Vasudeo Bhanwarlal Malu	00301313	11/01/1994
4	Mr. Purshottam Ramlal Malu	01720007	09/11/2020
5	Mr. Chandrakant Jaydevshankar Thakar	00784189	11/11/2005
6	Mr. Satyanarayan Rathi	01797378	11/11/2005
7	CA. Shrutika Arvind Inani	06937649	25/09/2014
8	CA. Sahil Shankar Agrawal	02690403	09/11/2020

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

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

Date : 09th August 2021
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 1719 / 022-2668 0488
E-mail : rashmikantca@yahoo.co.in
cakuvadia@gmail.com

In Reply Please Quote

INDEPENDENT AUDITORS REPORT

To
The Members
MALU PAPER MILLS LIMITED

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MALU PAPER MILLS LIMITED** ("the Company"), which comprises of Balance Sheet as on 31st March, 2021, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2021, the loss 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 financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the standalone 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 financial statements.

Emphasis of Matter-

We draw attention on Note. No. 37 of the standalone IND AS financial statement, which explains the uncertainties and the management assessment of the financial impact related to COVID-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is highly dependent on future economic developments and circumstances as they evolve. Our opinion is not modified on the same.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p><u>Deferred Tax.</u> As disclosed in Note 7, the company has recognised deferred tax assets in respect of certain deductions on account of provision for Post-Retirement, the extent that it is probable that the company get tax benefits in future. This requires management judgement in estimating future taxable income and is accordingly a key audit matter.</p>	<p>We have reviewed the assumptions made by management for uncertain current and deferred tax liability/asset to assess whether appropriate current and deferred tax provisions have been recognised and are based on the most probable outcome. We found the disclosures relating to the income tax and deferred tax balances to be appropriate.</p>
<p><u>Post Retirement Defined benefit obligation for Gratuity</u> The Company has recognized long term employee benefit liabilities as per Actuarial Valuation Report now obtained from Registered Valuer, consisting of Gratuity and defined benefit obligations receivable (net of plan asset against funded gratuity</p>	<p>In testing the valuation, we have examined the reports of external actuarial valuer to review the key actuarial assumptions used, both financial and demographic, and considered the methodology utilized to derive these assumptions. Furthermore,</p>

<p>obligation and post-employment benefits.) The valuation of employee benefit obligations is dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions: discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third party actuary</p>	<p>we have examined the sensitivity analysis adopted by the external party viz. actuarial on the key assumptions in valuing the defined benefit obligations. We would like to comment that on the methodology and assumption applied in relation to determination of liability is acceptable</p>
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Other Information

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 financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 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.

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

Our objective is to obtain reasonable assurance about whether the standalone 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 financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under section 143(3)(i) of the Act. We are also responsible for expressing our opinion

on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 financial statements, including the disclosures, and whether the standalone 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 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 financial statements comply with the IND AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
 - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014

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 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.

<p>Place: Mumbai Date: 21.06.2021</p>	<p>For R. A.Kuvadia & Co. Chartered Accountants FRN: 105487W</p> <p>R. A. Kuvadia (Proprietor) M. No.040087 UDIN:21040087AAAAOC4152</p>
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**“Annexure – A” to the Auditors’ Report
(Referred to in Paragraph 1 under ‘Report on other Legal and Regulatory Requirements section
of our report of even date)**

1. (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 the year end 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.
2. (a) The stock of Finished Goods, Raw materials, Stores and consumables were physically verified by the Management at year end; the same is reasonable in relation to size of the company.

(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.
3. The company has not granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. 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 of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 does not arise.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of the cost records under Section 148(1) 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.
7. (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 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.
The Provisions related to Sales Tax, Service Tax, Duty of Excise and Value Added Tax are not applicable to the company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of 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 31st March 2021 for a period of more than six months from the date they became payable.
The Provisions related to Sales Tax, Service Tax, Duty of Excise and Value Added Tax are not applicable to the company.

(c) According to the information and explanations given to us, no disputed payables in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31st March 2021.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
9. 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.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. 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.
12. 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.
13. According to the information and explanation given to us, the Company has entered into transaction with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. 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.
15. 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.
16. 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**

**Place: Mumbai
Date: 21.06.2021**

**R. A. Kuvadia
(Proprietor)
M. No.040087
UDIN:21040087AAAAOC4152**

“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 31st March 2021 in conjunction with our audit of the standalone 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 financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

**For R. A.Kuvadia& Co.
Chartered Accountants
FRN: 105487W**

**Place: Mumbai
Date: 21.06.2021**

**R. A. Kuvadia
(Proprietor)
M. No.040087
UDIN:21040087AAAAOC4152**

MALU PAPER MILLS LTD ; NAGPUR

BALANCE SHEET AS AT 31ST MAR'2021			
Particulars	Notes	As at 31st Mar 21	As at 31st Mar 20
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	75,65,36,975	79,70,87,461
Capital work in progress	2	50,20,768	-
Investment properties		-	-
Intangible assets		-	-
Financial Assets:			
i. Investments	3	11,00,000	11,00,000
ii. Trade Receivables	4	11,78,804	21,95,340
iii. Other	5	11,61,795	11,00,273
Other non-current Assets	6	31,81,672	31,81,672
Deffered Tax Asset (Net)	7	5,70,11,139	5,32,20,000
Total non-current assets		82,51,91,153	85,78,84,746
Current Assets			
Inventories	8	28,16,15,200	21,75,55,400
Financial Assets			
i. Trade Receivables	9	32,42,50,237	25,96,22,127
ii. Cash and Cash Equivalents	10	5,02,976	36,50,329
iii. Bank balances other than Cash & Cash Equivalent	11	1,44,29,278	1,46,00,634
iv. Other financial assets		-	-
Other current assets	12	6,15,67,678	4,93,51,452
Total Current Assets		68,23,65,368	54,47,79,941
Total Assets		1,50,75,56,521	1,40,26,64,687
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	17,05,92,500	17,05,92,500
Other Equity	14	7,00,71,377	13,72,33,644
Total Equity		24,06,63,877	30,78,26,144
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	15	6,64,67,021	7,57,54,227
Provisions	16	93,23,815	73,31,881
Other non-current liabilities		-	-
Total Non-Current liabilities		7,57,90,836	8,30,86,108
Current Liabilities			
Financial Liabilities			
i. Borrowings	17	85,60,41,469	79,27,57,367
ii. Trade Payables	18	32,02,16,026	20,38,63,310
iii. Other Financial Liabilities		-	-
Provisions		-	-
Other current liabilities	19	1,48,44,314	1,51,31,759
Total Current Liabilities		1,19,11,01,809	1,01,17,52,436
Total Liabilities		1,26,68,92,645	1,09,48,38,544
Total Equity and Liabilities		1,50,75,56,521	1,40,26,64,687
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.Kuvadiah & Co. Chartered Accountants	
Punamchand Malu (Managing Director) (Din 00301030)	Banwarilal Malu (Jt. Managing Director) (Din 00301297)	Prakash Modi (CFO)	Mayuri Asawa (Company Secretary)
Place : Mumbai			R.A.Kuvadiah Proprietor
Date : 21-06-2021			M.No. 040087
UDIN : 21040087AAAAOC4152			FRN : 105487W

MALU PAPER MILLS LTD ; NAGPUR

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAR'2021			
Particulars	Note	For The Year Ended 31st Mar 21	For The Year Ended 31st Mar 20
CONTINUING OPERATIONS			
Revenue from Operations	20	1,69,73,76,757	2,26,32,16,621
Other Income	21	94,58,937	1,09,43,714
Total Income		1,70,68,35,695	2,27,41,60,335
Expenses			
Cost of Material Consumed	22	1,06,01,08,863	1,32,76,83,183
Changes in Inventories of Work in progress and Finished Goods	23	21,78,200	1,13,05,400
Employee benefit expenses	24	6,68,51,745	8,70,91,256
Depreciation and Amortization expense	2	5,01,42,340	4,89,70,957
Impairment of assets		-	-
Finance Costs	25	7,78,11,875	7,92,30,517
Other expenses	26	51,08,92,996	70,91,13,115
Total Expenses		1,76,79,86,019	2,26,33,94,429
Profit before exceptional items and tax		-	-
Exceptional items		-	-
Profit before tax		(6,11,50,325)	1,07,65,906
Income Tax expenses		-	-
Current Tax		-	-
Mat Credit Entitlement		-	-
Deferred Tax		(34,43,000)	41,65,000
Income Tax for prior period		-	-
Total tax expenses		(34,43,000)	41,65,000
Profit/(loss) for the period from continuing operations		(5,77,07,325)	66,00,906
Other Comprehensive Income			
Items that may be classified to Profit or Loss		-	-
Items that will not be reclassified to Profit or Loss		13,38,996	-
Remeasurement of employees benefit obligations		-	-
Income Tax relating to Items that will not be reclassified to Profit or Loss		(3,48,139)	-
Other Comprehensive Income for the period (net of tax)		-	-
Total Comprehensive Income for the year		(5,86,98,182)	66,00,906
Earning Per Equity Share for profit from Continuing Operations			
Basic Earning per share (In `)		(3.44)	0.39
Diluted Earning per share (In `)		(3.44)	0.39
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.Kuvadiah & Co. Chartered Accountants	
Punamchand Malu (Managing Director) (Din 00301030)	Banwarilal Malu (Jt.Managing Director) (Din 00301297)	Prakash Modi (CFO)	Mayuri Asawa (Company Secretary)
Place : Mumbai			R.A.Kuvadiah Proprietor
Date : 21-06-2021			M.No. 040087
UDIN : 21040087AAAAOC4152			FRN : 105487W

MALU PAPER MILLS LTD ; NAGPUR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAR, 2021		
Particulars	For The Year Ended 31st Mar 2021	For The Year Ended 31st Mar 2020
Cash flow from Operating activities		
Profit before income tax from Continuing Operations	(6,11,50,325)	1,07,65,906
Non-Cash Income	(84,64,085)	(89,31,378)
Profit before income tax including discontinued operations	(6,96,14,410)	18,34,528
Adjustments for		
Depreciation and amortisation	5,01,42,340	4,89,70,957
Non-Cash Expense- Provision for Gratuity & OCI	15,41,398	(11,50,622)
Loss/(Gain) on disposal of Property, plant and equipment	91,834	-
Dividend and Security Deposit Interest	(1,04,571)	(8,63,580)
Accrued interest on FDR	(8,90,282)	(11,48,756)
Finance Costs	7,78,11,875	7,92,30,517
Net exchange differences		
Total	5,89,78,185	12,68,73,045
(increase) / Decrease in trade receivables	(6,46,28,110)	(2,28,26,920)
(increase) / Decrease in inventories	(6,40,59,800)	4,89,27,000
Increase /(Decrease) in Trade Liabilities and Other Financial Liabilities	11,60,65,271	2,92,19,375
(increase) / Decrease in Other Financial Assets	-	-
(Increase)/Decrease in Other Current Assets (Excluding Income Tax)	(1,22,16,226)	(2,79,13,030)
Total	(2,48,38,865)	2,74,06,425
Cash generated from operations	3,41,39,320	15,42,79,470
Less: Income Tax paid	-	-
Net cash inflow from operating activities	3,41,39,320	15,42,79,470
Cash flow from investing activities		
Payments for property, plant and equipment	(1,50,54,456)	(4,39,17,302)
Change in Other Financial Assets	(61,522)	57,66,412
Change in Non Current Trade Receivable	10,16,536	-
Change in Other Non Current Assets	-	2,500
Proceeds from sale of property, plant and equipments	3,50,000	-
Interest received & Dividend Received	9,94,852	8,63,580
Net Cash Flow from investing activities	(1,27,54,590)	(3,72,84,810)
Cash flow from financing activities		
Proceeds/Repayments of borrowings (Net)	5,31,08,436	(2,79,78,328)
Interest paid	(7,78,11,875)	(7,92,30,517)
Repayment of Other Non-Current Liabilities	-	-
Net cash inflow (outflow) from financing activities	(2,47,03,440)	(10,72,08,845)
Net increase (decrease) in cash and cash equivalents	(33,18,709)	97,85,815
Cash and Cash equivalents at the beginning of the financial year	1,82,50,962	84,65,148
Cash In Hand	5,54,608	3,90,396
Bank Balances	1,76,96,354	80,74,752
Cash and cash equivalents at the end of the financial year	1,49,32,253	1,82,50,962
Cash In Hand	3,04,212	5,54,608
Bank Balances	1,46,28,041	1,76,96,354
Note:		
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.Kuvadiah & Co. Chartered Accountants	
Punamchand Malu Banwarilal Malu Prakash Modi Mayuri Asawa (Managing Director) (Jt.Managing Director) (CFO) (Company Secretary) (Din 00301030) (Din 00301297)	R.A.Kuvadiah Proprietor M.No. 040087 FRN : 105487W	
Place : Mumbai Date : 21-06-2021 UDIN : 21040087AAAAOC4152		

Notes Forming Part of the Financial Statements

1. Corporate Information

Malu Paper Mills Limited ("the Company") is engaged in Manufacturing of Pulp & 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, 2021 and authorize for issue on June 21, 2021

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 time between 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 amortised 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 Amortisation

Intangible assets are stated at acquisition cost, net of accumulated Amortisation and accumulated impairment losses, if any. Intangible assets are amortised 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 been

Notes Forming Part of the Financial Statements

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 recognised 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 recognised 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 recognised 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 realisable 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 organisation 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.

2.8 Borrowing Costs

Notes Forming Part of the Financial Statements

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 recognised 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 recognised 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 recognised 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 recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

2.10 Revenue Recognition

Revenue is recognised 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 recognised 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.

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.

Notes Forming Part of the Financial Statements

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 post-employment benefit viz. gratuity, a defined benefits retirement plan covering eligible employees. Post-employment benefit is recognized as an expense in the statement of Profit & Loss in the year in which employee has rendered service. The expenses are recognized at present value of the amount payable as determined by using actuarial valuation techniques. Actuarial gain & loss on this are charged to statement of profit & loss account.

2.13 Taxes on Income

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

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

Notes Forming Part of the Financial Statements

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. 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 realised, 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 recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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 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 recognised 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 recognised in profit or loss in the period in which they arise.

Notes Forming Part of the Financial Statements

2.17 Financial Instruments

Financial assets and financial liabilities are recognised 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 recognised in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised 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.

Amortised Cost:

A financial asset shall be classified and measured at amortised 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.

Fair Value through Profit or Loss:

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

All recognised financial assets are subsequently measured in their entirety at either amortised 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:

Notes Forming Part of the Financial Statements

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 recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

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

The effective interest method is a method of calculating the amortised 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.

De recognition 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 recognises 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 gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised 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 recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised based on the relative fair values of those parts.

Notes Forming Part of the Financial Statements

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 recognised at the proceeds received.

De recognition 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 recognised amounts and there is an intention to settle on a net basis or realise 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 recognised at fair value at the date the derivative contracts are entered and are subsequently re measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised 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.

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 recognised in the period in which the estimate is revised if the revision affects

Notes Forming Part of the Financial Statements

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 recognised, 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/amortised 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/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/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 amortised 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.

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 assess impairment. In case of certain

Notes Forming Part of the Financial Statements

assets independent external valuation has been carried out to compute recoverable values of these assets.

Provisions & Contingent liabilities

Provisions and liabilities are recognised 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	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at 1 April 2020	Additions during the year	Disposal / Transfer during the year	Balance as at 31st Mar 2021	Balance as at 1 April 2020	Depreciation change for the year	Balance as at 31st Mar 2021	Balance as at 31 Mar 2020
a	Tangible Assets (Under Lease)								
1	Leasehold Land	8573045			8573045	1263402	90243	7219400	7309643
b	Tangible Assets (Not Under Lease)								
1	Freehold Land	7631171			7631171	0	0	7631171	7631171
2	Factory Building	211251909			211251909	90022236	6454969	114774703	121229672
3	Office Building	702610			702610	247814	10761	444035	454796
4	Office Building (Ho)	1065670			1065670	272370	16445	776855	793300
5	Staff Quarters	1712841			1712841	642554	26170	1044117	1070287
6	Plant & Machinery	864197959	7770433		871968391	401062423	29643515	441262453	463135535
7	Furniture & Fixture	3363016			3363016	3018243	24344	320429	344773
8	Office Equipment	1002474			1002474	685175	21755	295544	317299
9	Computers	1927161			1927161	1927161	0	0	0
10	Boiler	12059151			12059151	9527605	288649	2242897	2531546
11	Captive Power Plant	201377144			201377144	100474142	6610346	94292656	100903002
12	Water Supply Equipments	252811			252811	252811	0	0	0
13	Fire Fighting Equipments	214497			214497	149011	5989	59497	65486
14	Effluent Treatment	30625732			30625732	16817905	1008342	12799486	13807828
15	Electrical Installation	120371331			120371331	60530604	4172805	55667922	59840727
16	Crane, Weigh bridge, Workshop Equip.	24831502	460000		25291502	12248157	874358	12168987	125833345
17	Vehicles (Industrial)	760000			760000	2374	71963	685663	757626
18	Cars	24771749	1803256	441834	26133171	20523526	796513	4813132	4248223
19	2 Wheelers	427143			427143	363941	25173	38029	63202
	Total Property Plant & Equipment	1517118916	10033689	441834	1526710770	720031455	50142340	770173795	797087461
c	Capital Work In Progress	0	5020767	0	5020768	0	0	5020768	0
	Total Capital Work in Progress	0	5020767	0	5020768	0	0	5020768	0

MALU PAPER MILLS LTD; NAGPUR

NOTE	PARTICULARS	AS ON 31ST MAR' 2021 AMOUNT	AS ON 31ST MAR' 2020 AMOUNT
3	<u>INVESTMENTS</u>		
A	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)		
	Total :	<u>11,00,000</u>	<u>11,00,000</u>
	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.		
4	<u>Trade Receivables</u>		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	11,78,804	21,95,340
	Considered Doubtful	5,54,236	-
	Less: Allowance for doubtful debts/credit loss	(5,54,236)	-
	Total (a - b) :	<u>11,78,804</u>	<u>21,95,340</u>
5	<u>Other Non Current Financial Assets</u>		
A	Fixed Deposit with Bank (Against Margin Money for Bank Guarantee)	11,37,217	10,73,709
B	Accrued Interest on Fixed Deposit with Bank	24,578	26,564
	Grand Total :	<u>11,61,795</u>	<u>11,00,273</u>
6	<u>Other Non Current Assets</u>		
A	Security Deposits		
	Unsecured, considered good	31,81,672	31,81,672
	Deposits with Government Authorities	-	-
	Total :	<u>31,81,672</u>	<u>31,81,672</u>
7	<u>Deffered Tax Assets (Net)</u>		
a	Deffered Tax Assets		
	Unabsorbed Depreciation and Business Loss	19,73,55,000	23,68,00,000
	Other Comprehensive Income Items	3,48,139	-
b	Deffered Tax Liability		
	Depreciation & Amortisation	14,06,92,000	18,35,80,000
	Total :	<u>5,70,11,139</u>	<u>5,32,20,000</u>

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

8 INVENTORIES

a	Raw Materials and components (Valued at cost or NRV whichever is lower)		13,99,94,300		6,73,35,700
	Waste Paper - Indian	9,68,40,100		2,93,84,100	
	Waste Paper - Imported	2,59,94,100		1,81,76,400	
	Chemical	1,71,60,100		1,97,75,200	
b	Fuel		1,46,54,200		1,82,74,600
c	Packing Material		45,65,100		39,85,100
	Total (a+b+c) :		15,92,13,600		8,95,95,400
d	Finished goods (Valued at cost or NRV whichever is less)		5,43,76,500		5,65,54,700
	Finished Goods	5,28,76,500		5,65,54,700	
	Stock In Process	15,00,000		-	
	Total (d) :		5,43,76,500		5,65,54,700
e	Stores & Spares (Valued at cost or NRV whichever is lower)		6,80,25,100		7,14,05,300
	Total (e) :		6,80,25,100		7,14,05,300
	Total (a+b+c+d+e) :		28,16,15,200		21,75,55,400

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

9 TRADE RECEIVABLES

Secured, Considered Good		-		-
Unsecured, Considered Good		32,42,50,237		25,96,22,127
Considered Doubtful		-		-
b	Less: Allowance for bad and doubtful debts		-	-
	Total (a - b) :		32,42,50,237	25,96,22,127

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

10 CASH AND CASH EQUIVALENTS

a	Cash in hand	3,04,212	5,54,608
b	Balances with Banks In current Account with		
	State Bank of India, Saoner	1,53,749	10,37,958
	Axis Bank Ltd; Nagpur - Collection Inflow	45,015	20,57,762
	Total :	<u>1,98,764</u>	<u>30,95,721</u>
	Total :	<u>5,02,976</u>	<u>36,50,329</u>

11 Bank Balances other than Cash & Cash Equivalents

a	Fixed Deposits (Against Margin Money for Letter of Credit)	1,35,26,468	1,41,71,268
b	Accrued Interest on FDR	9,02,810	4,29,366
	Total	<u>1,44,29,278</u>	<u>1,46,00,634</u>

12 Other Current Assets

	Unsecured, considered good		
a	Advances (against goods & services)	3,09,85,345	3,14,77,597
b	Advances (against capital goods)	7,02,274	23,97,741
c	Other Advances & Deposits	2,98,80,059	1,54,76,114
	Total :	<u>6,15,67,678</u>	<u>4,93,51,452</u>

MALU PAPER MILLS LTD; NAGPUR

13

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 & 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 :	1,70,59,250	17,05,92,500	1,70,59,250	17,05,92,500

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 14 : Other Equity Particular	Reserves and Surplus					Total
	General Reserve	Security Premium	Capital Grant (Deferred Sales tax Incentive Packages - As per Ind AS 20)	Retained Earning	OCI	
As at 31st March 2019	21,18,80,327	14,79,52,928	4,42,22,966	(26,44,92,104)	-	13,95,64,117
Net Profit/Loss for the period Recognised in Statement of Profit and Loss Account			(89,31,378)	66,00,905		66,00,905 (89,31,378)
As at 31st March 2020	21,18,80,327	14,79,52,928	3,52,91,588	(25,78,91,200)	-	13,72,33,644
Net Profit/Loss for the period Recognised in Statement of Profit and Loss Account			(84,64,085)	(5,86,98,182)		(5,86,98,182) (84,64,085)
As at 31st March 2021	21,18,80,327	14,79,52,928	2,68,27,503	(31,65,89,381)	-	7,00,71,377

Nature and description of reserve

(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

15 LONG-TERM BORROWINGS

a SECURED LOANS

i	State Bank of India	99,694	1,75,461
Total :		99,694	1,75,461

- 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 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	99,694	98,844	8,237	9.75%
Total :	99,694	98,844	8,237	

b	Deffered Sales Tax (Unsecured Loan)	6,63,67,327	7,55,78,766
Total :		6,63,67,327	7,55,78,766

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 21-22	Terms of Payment-	Rate of interest
Deffered Sales Tax	6,63,67,327	1,01,50,208	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

16 Long Term Provisions

Post Employment Employee Benefits		
Provision for Gratuity [refer (a) below]	93,23,815	73,31,881
Total :	93,23,815	73,31,881

a **Defined Obligations - Disclosures as per Ind-AS 19 :**

Particulars	As as 31-03-2021	As as 31-03-2020
Reconciliation of opening and closing balance of funded obligation, as assessed by an independent actuary		
Opening Defined Benefit Obligation	73,31,881	Nil
Current service cost	10,68,492	Nil
Interest cost	4,72,906	Nil
Actuarial gain/(losses)	13,38,996	Nil
Benefits paid by company	(8,88,460)	Nil
Closing Defined Benefit Obligation	93,23,815	Nil

17 SHORT TERM BORROWINGS Secured

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

i Axis Bank Ltd; Nagpur	5,60,86,613	4,03,54,020
ii State Bank of India, Nagpur	6,18,40,368	5,34,47,433
iii Bank of India, Mumbai	6,15,93,841	6,17,99,318
iv Jammu & Kashmir Bank, Mumbai	3,07,78,411	3,06,94,883
v Bank of Baroda, Mumbai	3,08,43,392	3,03,37,871
Sub Total (a) :	24,11,42,625	21,66,33,523

(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	7,45,00,000	6,90,00,000
(b) Loans and advances from Inter Corporate	50,03,00,000	46,36,00,000
(c) Others	4,00,00,000	70,00,000
Sub Total (b) :	61,48,00,000	53,96,00,000

c Current Maturity

Long term Debt	98,844	3,65,23,844
Sub Total (c) :	98,844	3,65,23,844
Total (a + b + c) :	85,60,41,469	79,27,57,367

MALU PAPER MILLS LTD; NAGPUR

18 TRADE PAYABLE

a	Total Outstanding dues to MSMEs [refer (c) below as per the intimation received from vendors]	10,85,89,964	5,12,82,292
b	Total Outstanding dues to Others	21,16,26,062	15,25,81,017

Total :	32,02,16,026	20,38,63,310
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c Disclosers relating to Micro, Small and Medium Enterprises (MSME)

Particulars	As at 31-03-2021	As at 31-03-2020
Principal Amount remaining unpaid to MSMEs	10,85,89,964	5,12,82,292
Interest due on the above, remaining unpaid	Nil	Nil
Interest paid in terms of Section 16 of MSME Development Act [MSMEDA] along with payments made beyond the appointed day during the year	Nil	Nil
Interest due and payable for delay in making payment (paid but beyond the appointed day) but without adding the interest specified under MSMEDA	Nil	Nil
Interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
Further interest remaining due and payable in succeeding year (until such date by which the interest dues as above are actually paid to the small enterprises), for the purpose of disallowance as a deductible expenditure under Section 23 of MSMEDA	Nil	Nil

19 OTHER CURRENT LIABILITIES

a	Deffered Sales Tax (As per Note 15 above)	1,01,50,208	99,26,284
b	Duties & Taxes	36,94,106	42,05,475
c	Other Payables	10,00,000	10,00,000
		1,48,44,314	1,51,31,759

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20 REVENUE FROM OPERATION

A Sale of products; Manufacturing Goods

1 Kraft Paper

Domestic	90,74,18,349		76,40,68,085	
Export	<u>9,85,19,073</u>	1,00,59,37,422	<u>13,71,52,902</u>	90,12,20,987

2 Newsprint Paper

Domestic	29,59,61,298		1,34,30,67,257	
Export	<u>38,86,96,325</u>	68,46,57,623	<u>1,75,84,151</u>	1,36,06,51,408

		1,69,05,95,045		2,26,18,72,395
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B Other Operating Income

1 Duty Draw Back - Export		67,81,712		13,44,226
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		67,81,712		13,44,226
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TOTAL		1,69,73,76,757		2,26,32,16,621
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Note: All the sales are made to external parties only.

21 OTHER INCOME

Interest on FDR	8,90,282		11,48,756	
Interest on Security Deposit	1,04,571		99,080	
Dividend Income	-		7,64,500	
Deffered Sales tax Incentive Packages (As per Ind AS 20)	84,64,085		89,31,378	

		<u>94,58,937</u>		<u>1,09,43,714</u>
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MALU PAPER MILLS LTD; NAGPUR

22 COST OF MATERIALS CONSUMED

Details of Raw Material Consumed

Raw Material at the beginning of the year	6,73,35,700	11,17,88,800
Add: Purchases	<u>1,08,62,08,921</u>	<u>1,22,76,04,112</u>
Total :	1,15,35,44,621	1,33,93,92,912
Less: Raw Material at the end of the year	13,99,94,300	6,73,35,700
Cost of Raw Material consumed	<u>1,01,35,50,321</u>	<u>1,27,20,57,212</u>

Item wise details of Raw Material Consumed

Waste Paper - Indian - Kraft	44,33,82,403	29,82,72,421
Waste Paper - Imported - Kraft	15,79,62,963	17,05,42,907
Chemical - Kraft	5,30,62,580	6,78,65,174
Waste Paper - Indian - Newsprint	28,67,68,896	64,62,11,043
Waste Paper - Imported - Newsprint	2,42,02,331	1,12,30,489
Chemical - Newsprint	4,81,71,148	7,79,35,179
Total	<u>1,01,35,50,321</u>	<u>1,27,20,57,212</u>

Details of Consumable Stores Consumed

Consumable Stores at the beginning of the year	7,14,05,300	6,85,75,200
Add: Purchases	<u>4,31,78,342</u>	<u>5,84,56,071</u>
Total :	11,45,83,642	12,70,31,271
Less: Consumable Stores at the end of the year	6,80,25,100	7,14,05,300
Cost of Consumable Stores consumed	<u>4,65,58,542</u>	<u>5,56,25,971</u>
Total :	<u>1,06,01,08,863</u>	<u>1,32,76,83,183</u>

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

Particulars

Stock in Process	15,00,000	-
Finished Goods	5,28,76,500	5,65,54,700
Total :	<u>5,43,76,500</u>	<u>5,65,54,700</u>

Inventory at the beginning of the year Particulars

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

Increase/Decrease in Inventory

Particulars

Stock in Process	(15,00,000)	47,00,000
Finished Goods	36,78,200	66,05,400
Total :	<u>21,78,200</u>	<u>1,13,05,400</u>

24 EMPLOYEE BENEFITS

Salary & Allowances	5,88,49,385	8,08,03,271
Providend Fund	36,27,330	42,36,556
ESIC	12,98,825	19,25,680
Staff Welfare Expenses	15,34,807	12,76,371
Expenses on Gratuity	15,41,398	(11,50,622)
Current Service Cost	10,68,492	-
Finance Cost on Gratuity Fund	<u>4,72,906</u>	<u>-</u>
Total :	<u>6,68,51,745</u>	<u>8,70,91,256</u>

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25 FINANCE COSTS

Bank Charges	37,08,422	26,04,795
Interest to Bank	2,95,46,104	3,43,37,729
Interest on Unsecured Loan	3,60,93,264	3,34,39,849
Interest on Deferred Sales Tax Liability	84,64,085	88,48,144
Total :	7,78,11,875	7,92,30,517

26 OTHER EXPENSES

Power & Fuel	23,76,57,907	39,65,15,509
Packing Material	2,19,70,987	2,39,36,601
Freight Inward	8,22,44,323	9,83,08,881
Contractor Payment	2,86,06,338	3,27,10,818
Clearing & Forwarding	2,99,306	8,34,671
Custom Duty	10,01,939	19,89,951
Water Charges	19,87,220	33,53,562
Repairs & Maintenance		
Building	15,61,804	8,55,480
Plant & Machinery	2,81,82,829	3,17,77,359
Advertisement	2,60,122	86,886
Annual Listing Fees	6,30,000	6,07,346
Statutory Audit Fees	3,00,000	3,00,000
Consultancy Charges	33,77,763	43,68,735
Conveyance Charges & Vehicle Maintenance	10,14,288	7,46,644
Computer Maintenance	3,43,152	2,80,926
CSR Expenses	-	5,51,000
Donation	-	4,66,000
GST Expenses	3,91,388	1,03,283
Insurance Charges	27,04,383	4,14,610
Labour Welfare Fund	51,437	13,261
Loss on Sale of Fixed Assets	91,834	-
Office & Misc. Expenses	8,33,612	8,87,885
Professional Tax	2,500	2,500
Periodicals & Subscription	53,681	65,174
Postage	1,29,636	1,72,620
Printing & Stationery	2,55,276	3,02,987
Provision for doubtful debts/credit loss	5,54,236	-
Rates & Taxes	10,71,900	8,66,986
ROC Fees Expenses	29,612	63,535
Security Expenses	21,45,307	20,19,472
Selling & Distribution Expenses	1,10,27,303	3,40,55,628
Carriage Outward	8,05,94,753	7,12,16,817
Sitting Fess Expenses	1,00,000	1,20,000
Sales Tax Expenses	10,17,439	-
Interest, Penalty and Late Fees	793	2,51,017
Telephone Expenses	2,49,644	3,24,137
Travelling Expenses	1,50,288	5,42,835
Total :	51,08,92,996	70,91,13,115

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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	1,84,010	1,68,128
Finance Taken	15,25,00,000	4,55,60,000
Finance Paid	10,25,70,000	2,50,00,000
Interest on Loan	2,44,00,000	2,16,00,000

Frontline Commercials Private Limited

Finance Taken	-	10,000
Finance Paid	1,48,00,000	-
Interest on Loan	11,20,000	11,00,000

Malu Rice Mills Private Limited

Purchases during the year	4,79,258	-
Finance Paid	-	56,06,100
Interest on Loan	-	2,29,000

Neelkamal Financial Services Private Limited

Finance Paid	2,28,00,000	-
Finance Taken	46,250	20,000
Interest on Loan	20,00,000	22,00,000

Solar Carbons Private Limited

Finance Paid	76,000	4,46,100
Interest on Loan	19,20,000	18,29,000

Wistaria Farms Private Limited

Finance Paid	48,000	36,800
Interest on Loan	1,60,000	1,52,000

Relatives of Key Management Persons

	Salary	Salary
Poonamchand Malu	20,00,000	24,00,000
Banwarilal Malu	20,00,000	24,00,000
Narayan Malu	20,00,000	24,00,000
Nimish Malu	10,00,000	6,00,000

Interest on Loan

Banwarilal Malu (HUF)	1,60,000	1,52,000
Banwarilal Malu	20,80,000	21,80,000
Kaveri Malu	8,96,000	8,42,000
Manisha Verma	3,04,000	2,89,000
Shashi Malu	12,00,000	11,23,000
Vasudeo Malu	8,80,000	8,49,000

Amount Payable as on reporting Date

Banwarilal Malu (HUF)	21,00,000	20,00,000
Banwarilal Malu	2,79,00,000	2,60,00,000
Frontline Commercials Private Limited	-	1,48,00,000
Kaveri Malu	1,20,00,000	1,12,00,000
Malu Electrodes Private Limited	47,25,00,000	40,00,00,000
Manisha Verma	40,00,000	38,00,000
Neelkamal Financial Services Private Limited	-	2,28,00,000
Shashi Malu	1,61,00,000	1,50,00,000
Solar Carbons Private Limited	2,57,00,000	2,40,00,000
Vasudeo Malu	1,24,00,000	1,10,00,000
Wistaria Farms Private Limited	21,00,000	20,00,000

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

Statutory Audit Fees	3,00,000	3,00,000
Tax Audit Fees	4,50,000	4,50,000
GST Audit Fees	72,000	72,000
Internal Audit Fees	2,50,000	2,50,000
Total	10,72,000	10,72,000

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	(5,86,98,182)	66,00,906
Weighted Number of Shares - Basic	1,70,59,250	1,70,59,250
EPS	(3.44)	0.39
Basic/Diluted Earning Per Share	(3.44)	0.39
Face value per share	10	10

31 ADDITIONAL INFORMATION

a Value of imports calculated on C.I.F basis by the company during the financial year in respect of -

I	i. Raw materials;	19,01,60,884	14,98,16,781
	ii. Components & Spare Parts	19,38,961	50,08,220
	iii. Capital Goods	62,58,007	79,32,386
	iv. Purchase of Trading Goods	-	-
b (i)	Total value of all imported raw materials, spare parts and components consumed during the financial year.	192099845 (18%)	186781616 (14%)
b (ii)	Total value of all indigenous raw materials, spare parts and components similarly consumed	868009018 (82%)	1140901567 (86%)
b (iii)	Total consumption	1060108863 (100%)	1327683183 (100%)
c	Earnings in foreign exchange classified under the following		
	I. Export of goods calculated on C.I.F. basis;	48,72,15,399	15,47,21,606

32 CONTINGENT LIABILITIES :

Bank Guarantee Outstanding	2,09,76,425	1,83,09,000
Letter of Credit	-	-
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

Against which company has given counter guarantee to Bankers

33 Key Assumptions in Calculating Provision for Defined Benefit Obligation:

Discount Rates (%)	6.45%	7.83%
Effective Rate of Salary Escalation (%)	3%	5%
Retirement Age (Years)	60	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		
	31-03-2021		31-03-2020
Financial Assets			
Financial Assets (Level 1)			
Financial Assets at amorticed cost :- (Level 2)			
Bank Deposits	1,55,91,073		1,57,00,907
Trade Receivables	32,42,50,237		25,96,22,127
Cash and Bank Balances	5,02,976		36,50,329
TOTAL	34,03,44,285		27,89,73,362
Financial Assets at Fair Value through Other Comprehensive Income :- (Level 3)			
Investment in Equity shares of Ganga Care Hospital Ltd	11,00,000		11,00,000
TOTAL	11,00,000		11,00,000
Financial Liabilities			
Financial Liabilities (Level 1)	-		-
Financial Liabilities at amorticed cost :- (Level 2)			
Term Loans	6,64,67,021		7,57,54,227
Unsecured Loans	6,63,67,327		7,55,78,766
Long term borrowings	24,11,42,625		21,66,33,523
Trade Payable	32,02,16,026		20,38,63,310
Other Financial Liabilities			
TOTAL	69,41,92,999		57,18,29,826
Financial Liabilities at amorticed cost :- (Level 3)			
Short Term Borrowings	61,48,00,000		53,96,00,000
TOTAL	61,48,00,000		53,96,00,000

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	31-03-2021		31-03-2020
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, 2021	For the year ended March 31, 2020
A. Current income tax	-	-
B. Opening Balance Deferred income tax liability / (asset), net	(5,32,20,001)	(5,73,85,001)
C. Origination and reversal of temporary differences	(1,00,32,051)	1,21,35,781
D. Deferred tax expense	(34,43,000)	41,65,000
E. Closing Balance Deferred income tax liability/(asset), net (B+D)	(5,66,63,001)	(5,32,20,001)
F. Tax expense/(income) for the year (A+D)	(34,43,000)	41,65,000

(b) **Reconciliation of effective tax rate**

Particular	For the year ended 31/03/2021	For the year ended 31/03/2020
Profit before tax	(6,11,50,325)	1,07,65,906
Tax using the Company's domestic tax rate @ 26.00%	(2,04,14,424)	35,94,090
Tax effect of: Tax on Expenses not deductible for tax purposes	1,69,71,424	5,70,910
F. Tax expense/(income) for the year (A+D)	(34,43,000)	41,65,000

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36 CSR Expenditure

- | | |
|--|----------|
| a Gross Amount Required to be spent by the company during the year | 8,87,560 |
| b Amount Approved by the board to be spent during the year | 8,87,560 |
| c Amount spent during the year | |
| (i) Construction/Acquisition of any asset | - |
| (ii) On purpose other than (i) above | - |

Disclosure as per Section 135(5) of Companies Act, 2013 for unspent amount

Opening Balance	Amount deposited in specified fund of Schedules VII within 6 months	Amount required to be spent during the year	Amount Spent during the year	Closing Balance
600000	-	8,87,560	-	14,87,560

The company does not have any ongoing project as on 31st March, 2021

37 COVID -19 Impact on Financial Reporting :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions be predicted.

38 OTHERS :

- a Balances of in various personal accounts remain unverified since confirmation from parties awaited.
- b Balances of Loans, advances debtors ,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 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.
- e 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.Kuvadía & Co.
Chartered Accountants

For Malu Paper Mills Limited.

Punamchand Malu Banwarilal Malu Prakash Modi Mayuri Asawa
(Managing Director) (Jt.Managing Director) (CFO) (Company Secretary)
(Din 00301030) (Din 00301297)

Place : Mumbai
Date : 21-06-2021
UDIN : 21040087AAAAOC4152

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