

**HOPE!**

**Yash Pakka Limited ■ Annual Report 2020-21**

(formerly Yash Papers Limited)

## FOND REMEMBRANCE



Tribute to our founding member,  
Mr. KK Jhunjhunwala,  
whose vision of inclusive progress  
remains our guiding light.

Though the COVID-19 pandemic created a global economic and humanitarian crisis, it will also be remembered as a period when governments, businesses and citizens rallied together behind a common cause to save lives and protect livelihoods.

At Yash Pakka Limited (YPL), we are proud of how the worst of times got the best out of our people, as they demonstrated the spirit of courage, bonding and fellowship, showing remarkable resilience in adversity.

Thus, we have curated stories of hope to shine a light in this time of unprecedented challenge.

**“Mein samajhta hoon ki mushkil waqt mein kisi ke kaam aana bahut badi cheez hain, aur upar wale ne mujhe yeh seva ka mauka diya.”\***



PRABHU DAYAL  
Driver and Vehicle  
Management Head

I am a driver at YPL and ensuring the safety and comfort of my passengers is my responsibility. So what if my passengers are COVID positive?

Me and the other drivers on my team never thought twice about who our passengers were. We donned our PPE suits, wore our masks and all that we were focused on was driving them to the hospital safely and quickly. For me, I did not leave the hospital premises until I was sure that my colleague was properly admitted.

My family used to ask me why I risked my life. I told them this was no risk at all. I was doing something noble so how could anything harmful happen to me? On the practical side, I also told them that my Company had given us full PPE suits to wear and all implements, including sanitisers, sprays, etc.

I would have made several trips to the hospital. Yet, through my positivity in helping them, I remained negative!

\*I feel supporting and helping someone in their difficult times is a big thing and I am thankful to the almighty for giving me this opportunity.

## “Covid ne logo ko door kiya. Lekin yeh mahamari ne hamare Yash Parivaar ko aur bhi zyaada mazboot kiya.”\*



DEEPALI SHRIVASTAVA  
Team Development Lead

How will I ever forget the date: 5th July 2020.

Wrapping up work for the day and preparing to leave for home, I slumped back into my chair when I read a message on my phone. Our MD sir and his wife had contracted COVID. I was in shock and my first thoughts were that they get well soon. As I had come in contact with MD sir previously, I immediately isolated myself at home. We have a small baby and my husband was remarkably calm and supportive.

The next day I got a call from office that a list had been prepared of those who had to go for COVID testing. My name was on that list. Sitting in the

bus that would take us to the testing centre, it was amazing that the ride was anything but tense. We were telling each other that everything would be fine and there was no need to panic. Everyone was smiling and chatting and there was no negativity. More than any other time before, I could really feel the value of our Yash Parivaar, the deep family-like connect forged with my colleagues.

In the evening when we returned back exhausted, our MD sir was at his residence and he waved at us from afar, a huge smile on his face. Seeing positivity among those whom we looked up to was heartwarming and comforting beyond words.

\*Covid has enforced a distance among people. Yet, the crisis strengthened the bonds among our Yash family.

## “We created a ‘COVID Crack Team’ in response to the pandemic and our role was to seed hope and good vibes.”



NAVINA JOHN  
Head, Human Resources

Staying positive and spreading positivity was important amid the gloom.

Since most of our colleagues come from small nearby villages, it became crucial for us to raise awareness about COVID and COVID-safe behaviour. We thus emphasised that COVID-appropriate behaviour would keep people safe, while also ensuring that our plant operations could be sustained unhindered.

As part of the Covid Crack Team, we made visits across the plant premises to ensure that workers and colleagues wore masks and maintained at least 2-feet distance from each other. We had also placed sanitisers and ensured that they remain refilled at all times.

After the shutdown ended in May-June 2020, we prioritised testing and made sure that at least 100-150 people get tested every

day. Me and my team were in charge of this and one of us wore a full PPE suit to remain in attendance to ensure that the testing process went smoothly. I often conveyed to my team that though personal safety was important, testing was equally important as even one positive case could infect many, thus jeopardising our operations.

Beyond the plant premises, we ensured that the family members of our colleagues affected by COVID were safely transported for quarantine to hotels in Ayodhya with whom we had tied-up with. Moreover, with our workers' colony adjacent to our plant being contained to curb the transmission, we had also ensured that daily essentials like milk for children, bread, eggs, vegetable and fruit were reached to their doorstep through no-contact delivery.

**“The hospital floor was transformed into a warm and hospitable place and the way we were taken care of by YPL was just amazing.”**



SUSHANT SINHA  
Mechanical Head

The one thing that we all looked forward to was the food.

Fresh, delicious and nutritious food was delivered every day to us at the hospital from our Company canteen. In fact, hearing us talk about food, even other patients on the floor became interested and soon our canteen started delivering food to them too!

Can you guess in what containers the food was served? Yes, environment-friendly Chuk plates and tableware!

The other factor that contributed to making our floor cheerful was the attention given by our Company to even small things, like fixing the lights and plugging water leaks on walls. Further, our Company also ensured frequent sanitisation to maintain hygiene and cleanliness.

For me, COVID was an anxious experience, yet made light and convivial in the company of my Yash Parivaar!

**“The year 2020-21 threw up major all-round business challenges. Yet, hope and determination enabled us to see the year through.”**



**VIKASH SRIVASTAVA**  
Sales Regional Head

For me, I would say that four major things in sales and marketing kept our business afloat amidst the challenging COVID-19 period.

One was the robust relations build with our customers and dealers. Through our ability to meet their quality, quantity and delivery expectations, we have been able to win their trust and confidence and were their default choice when they resumed order placement.

Two was our ability to divert production to exports to offset slower domestic sales; we thus achieved healthy exports growth during the year.

Three was the essential nature of our products, them being used in the medical and FMCG sectors, etc., which, although on a smaller scale, ensured continuous production.

And four of course was our unalloyed team spirit and belief that together we could achieve anything!

**“Hamari team ne utsah ke saath kaam kiya aur yeh dikhaya ki hum kamzor nahin hain.”\***



RAJESH KUMAR SINGH  
PM-3 Shift Head

The true reflection of any achievement is the kind of challenges one has faced.

During the year we faced all sorts of challenges – both external and internal. The COVID-19-induced complexities were there and so were certain technical malfunctions with our paper machine-3. In addition, my team members were infected by COVID and there were manpower challenges too.

Yet, I am so proud of my team that together we slowly but surely countered each challenge boldly.

We were empowered with an owner’s mindset that if our machine performed well, our business would do well and that would benefit all of us. We studied every part of the machine, explored and analysed solutions and consulted with external experts.

The result was that we were able to slowly ramp-up production and today, our machine has returned to peak capacity, generating almost 80 tons per day and contributing to the Company’s sales!

\* Our team faced the pandemic conditions with grit and demonstrated that our team is not weak.

## “We focused on overcoming the COVID-triggered challenges through re-routing, keeping our destination unchanged.”



**MUDIT TANDON**  
Head, Global Key Accounts

Consider the odds. Our compostable tableware business is a relatively young one and, even as it was finding its feet, COVID-19 decimated its key customer segment – the hospitality industry.

In a scenario such as this, it was important that we keep our flock together and seed the belief that the storm would eventually subside and, in the meantime, we had to create a robust shelter.

So we quickly re-pivoted the business to move with the market, as ordering-in picked up pace. To cater to home consumption and

pantry stocking trends, we innovated to manufacture delivery food containers, meal trays, etc., complete with lids and sealing solutions. Furthermore, we also focused on markets abroad and made sound inroads into the Middle East, Australia, the US and Europe.

Through this, we not only took our proposition of 100% natural and safe bagasse-based compostable products far and wide, we also opened up a much larger addressable market, preparing the foundations for the future.

## “We have always believed that the slow and steady win the race.”



MANISH KUMAR  
Fibre Yard Head

Being in-charge of the fibre yard, I own the crucial responsibility of ensuring that we have adequate raw material and our plant never faces a stock-out.

Yet, the COVID-19 pandemic posed an existential threat as it presented adverse challenges not only in raw material procurement, but also in loading and unloading, as it had to be done safely following COVID-safe practices.

We thought that instead of going fast and all-out, we should go slow and steady, learning along the way

and balancing people safety with regular stock movement. In addition to the temperature checking, etc., we mandated compulsory mask-wearing and also ensured comfort through installation of large pedestal fans for cooling and ventilation. We also installed many hand sanitisation points.

Today, I am happy that we have learnt to operate in the new normal and though we hope that there are no subsequent virus waves, we are better prepared for any unforeseen eventuality.

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# WHO WE ARE

As part of the bioeconomy, we are an integrated customer-centric Company focused on building strong competitive advantages in sustainable packaging for the food and allied industry.





Yash Pakka is a leading provider of packaging solutions in paper and compostable tableware. Our bagasse fiber-based products are backyard compostable, fossil-free and low-carbon alternatives against those based on finite or petroleum-based resources.

As a Company deeply invested in sustainable packaging, we are striving for pathbreaking ideas, knowing that recycling is not enough. We believe the world needs a green and circular economy comprising materials that are renewable, recyclable and can easily go back to Mother Earth. This is the most effective approach in minimising waste, combatting climate change and making the world green and clean.

Thus, we are committed to our purpose of innovating and developing sustainable packaging products at scale, integrating nature-based solutions that provide a defensible green alternative to single-use plastic, Styrofoam and other fossil-based materials.



OUR PRIMARY RAW MATERIAL (BAGASSE) IS GREEN, RENEWABLE AND SUSTAINABLE



OUR PRODUCTS ARE FOSSIL-FREE, SUSTAINABLE AND BACKYARD COMPOSTABLE



OUR BUSINESS IS LOW-CARBON, WITH 100% BIOMASS-BASED ENERGY PROVIDING FULL SELF-SUFFICIENCY

# We are focused on shaping our business for higher value and growth

## Our thrust areas:



Packaging materials



Packaging solutions

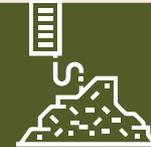


Product innovation

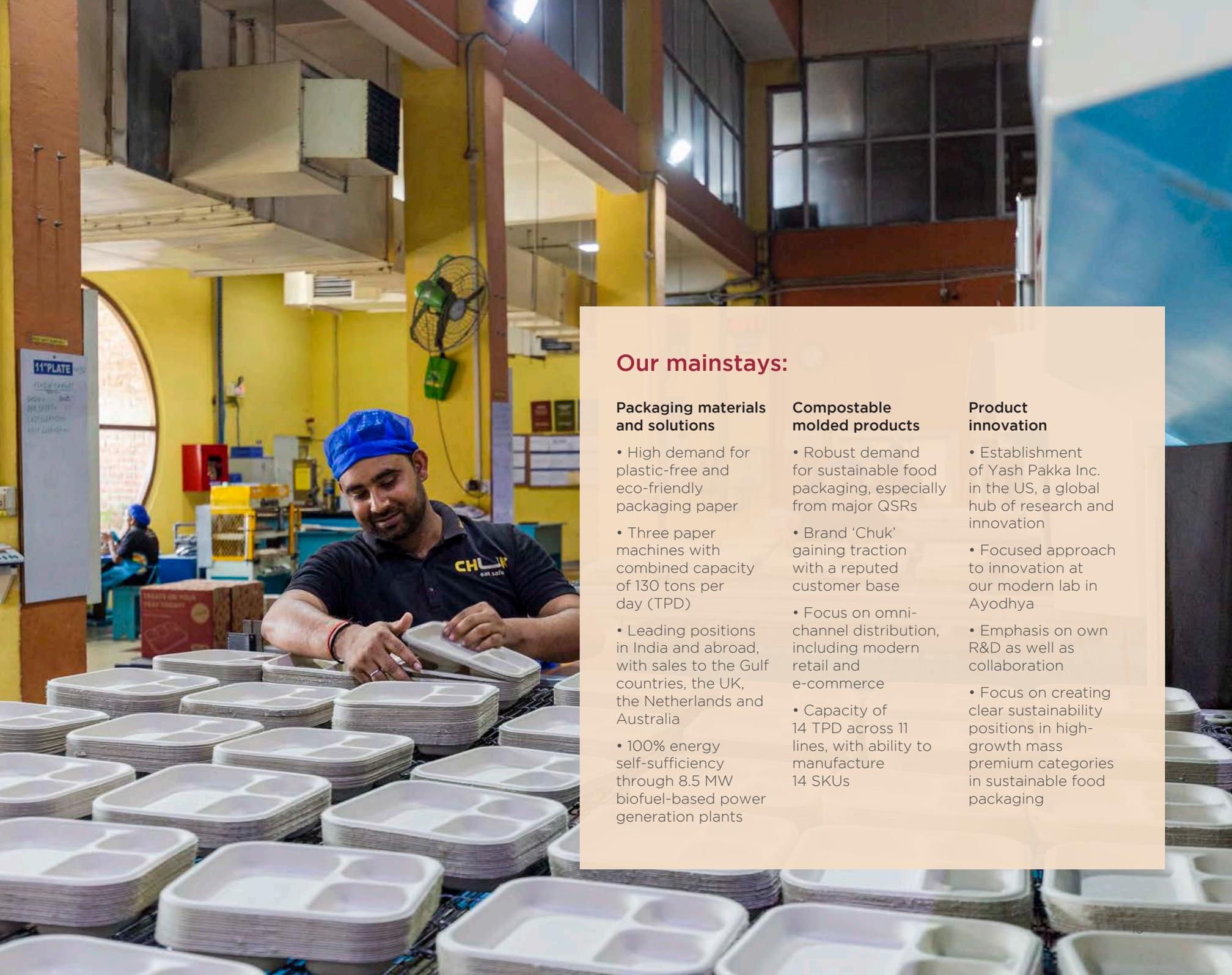
## Our foundations:



Renewable bagasse-based pulp



100% biomass-based power self-sufficiency



## Our mainstays:

### Packaging materials and solutions

- High demand for plastic-free and eco-friendly packaging paper
- Three paper machines with combined capacity of 130 tons per day (TPD)
- Leading positions in India and abroad, with sales to the Gulf countries, the UK, the Netherlands and Australia
- 100% energy self-sufficiency through 8.5 MW biofuel-based power generation plants

### Compostable molded products

- Robust demand for sustainable food packaging, especially from major QSRs
- Brand 'Chuk' gaining traction with a reputed customer base
- Focus on omni-channel distribution, including modern retail and e-commerce
- Capacity of 14 TPD across 11 lines, with ability to manufacture 14 SKUs

### Product innovation

- Establishment of Yash Pakka Inc. in the US, a global hub of research and innovation
- Focused approach to innovation at our modern lab in Ayodhya
- Emphasis on own R&D as well as collaboration
- Focus on creating clear sustainability positions in high-growth mass premium categories in sustainable food packaging

**Drawing on our legacy to create a better future, together**





**Our past:** Yash Papers (now Yash Pakka) was established in 1981 by visionary technocrat KK Jhunjhunwala for manufacturing low grammage kraft paper with an initial installed capacity of 1,940 MTPA.

**Our present:** Our manufacturing facility is located in Ayodhya, Uttar Pradesh, which is at the heart of India's sugarcane belt. Our integrated operations comprise:

- 130-TPD pulp mill that produces both bleached and unbleached pulp grades
- 3 paper machines of combined 39,100 MTPA capacity
- 2 power plants that include extraction-cum-condensing turbines and rice husk-based FBC boilers
- 145-MT chemical recovery plant
- 14-TPD moulded products capacity across 11 lines

**Our paper portfolio:** Our products are ubiquitous as they are used in everyday food and FMCG packaging. They comprise low grammage MG industrial bleached and unbleached paper grades ranging between 30-80 GSM. We also produce specialised grades for wrapping, packaging and interleaving for food and pharmaceutical uses, etc.

**Our export presence:** Our paper products are available pan-India as well as exported to 30+ countries, used primarily as coloured bag paper for fruit and vegetable packaging.

**Our moulded products:** Moulded products under the “Chuk” brand are made from bagasse, a fibre most suited to produce these lightweight products for ensuring ease of handling, flexibility for protection against damage, and strength to prevent spillages.

The Chuk product range caters to the food industry and comprises compostable disposables for food services and egg trays for food transportation and storage. Our customers comprise major QSR chains and restaurant and hospitality players, such as Starbucks, Pizza Hut, KFC, Café Coffee Day, McDonald's, Social, Flurys, Haldiram's, Chai Point, etc.

# Applying integrated thinking in meeting our purpose

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OUR APPROACH TO INTEGRATED THINKING EVOLVES AS WE RESPOND TO MAKE A DIFFERENCE TO THE FUTURE OF OUR PLANET.

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## Executing our strategy guided by our values

Yash Pakka has a worldwide presence through exports and focuses on utilising its expertise in renewable and recyclable fibrous materials for creating value in packaging. We combine a global mindset with local presence and service, focusing on delivering customer-relevant innovation. Today, we are accelerating our strategy to become a sustainable packaging business, anchored on our core values of:

### Earth love

Our actions are determined by our love for Mother Earth.

### Trust

We build Trust with radical Transparency and Honesty.

### Courage

We speak our minds and work with Courage towards Freedom and Responsibility.

### Excellence

We consistently learn and build our competency to strive for Excellence.

### Diversity

Different is beautiful. We embrace and encourage Diversity.

## Factors that are informing our approach

### Our operating context

The pandemic is compounding the forces impacting our business and also changing customer expectations of value-based eco-friendly solutions, thus challenging us to deepen our resilience and re-imagine our relevance to our customers, today and for the future.

### Our material issues

Shaped by the expectations of our stakeholders and the prevailing economic, social and environmental trends, our material issues are those that have the potential to substantially impact our commercial viability, our social relevance, and the quality of our relations with stakeholders.



## Transforming for the future

Embracing change  
as the only constant:

### Our short-term plans:

Responding to and recovering from the COVID-19 pandemic by ensuring business continuity.

### Our mid-term plans:

Materialise our capacity expansion plans in pulping, paper, moulded products and power.

### Our long-term plans:

Focus on achieving "Mission 2025" that envisages a turnover of ₹ 13.6 bn and profit of ₹ 2.4 bn.

# Our performance

IN A YEAR OF HOPE, WE DEMONSTRATED TENACITY, RESILIENCE AND ADAPTABILITY TO COUNTER THE CHALLENGES OF THE PANDEMIC.

## Profit and loss statement

**₹183.65 cr**

Revenue,  
2020-21

**₹22.93 cr**

Operating profit,  
2020-21

**₹16.95 cr**

Net profit,  
2020-21

**₹4.74**

EPS,  
2020-21

## Operational - Pulp and paper

**32,059 MT**

Production,  
2020-21

**32,184 MT**

Sales,  
2020-21

## Balance sheet

**0.60x**

Debt-equity,  
2020-21

**₹78.51 cr**

Debt,  
2020-21

## Operational - Moulded products

**1,195 MT**

Production,  
2020-21

**1,072 MT**

Sales,  
2020-21

## Employees

**462**

Workforce,  
2020-21

**403 hours**

Training imparted,  
2020-21

## 3-year financial data

Metric	2018-19	2019-20	2020-21
<b>OPERATIONAL</b>			
Pulp and paper production (MT)	45,730	44,901	32,059
Pulp and paper sales (MT)	46,145	43,934	32,184
Moulded products production (MT)	1,276	1,059	1,195
Moulded products sales (MT)	1,150	1,209	1,072
Employees	469	468	462
<b>FINANCIAL</b>			
Income from operations	250.25	252.39	183.65
Cost of materials consumed	109.80	101.75	70.10
Power and fuel cost	44.67	41.63	27.58
Finance cost	16.82	12.61	10.95
Profit before tax	24.83	39.54	22.93
Tax expenses	4.12	11.92	6.21
Net profit	20.71	27.62	16.72
Earnings per share (₹)	5.88	7.84	4.74

(₹ in cr unless otherwise stated)

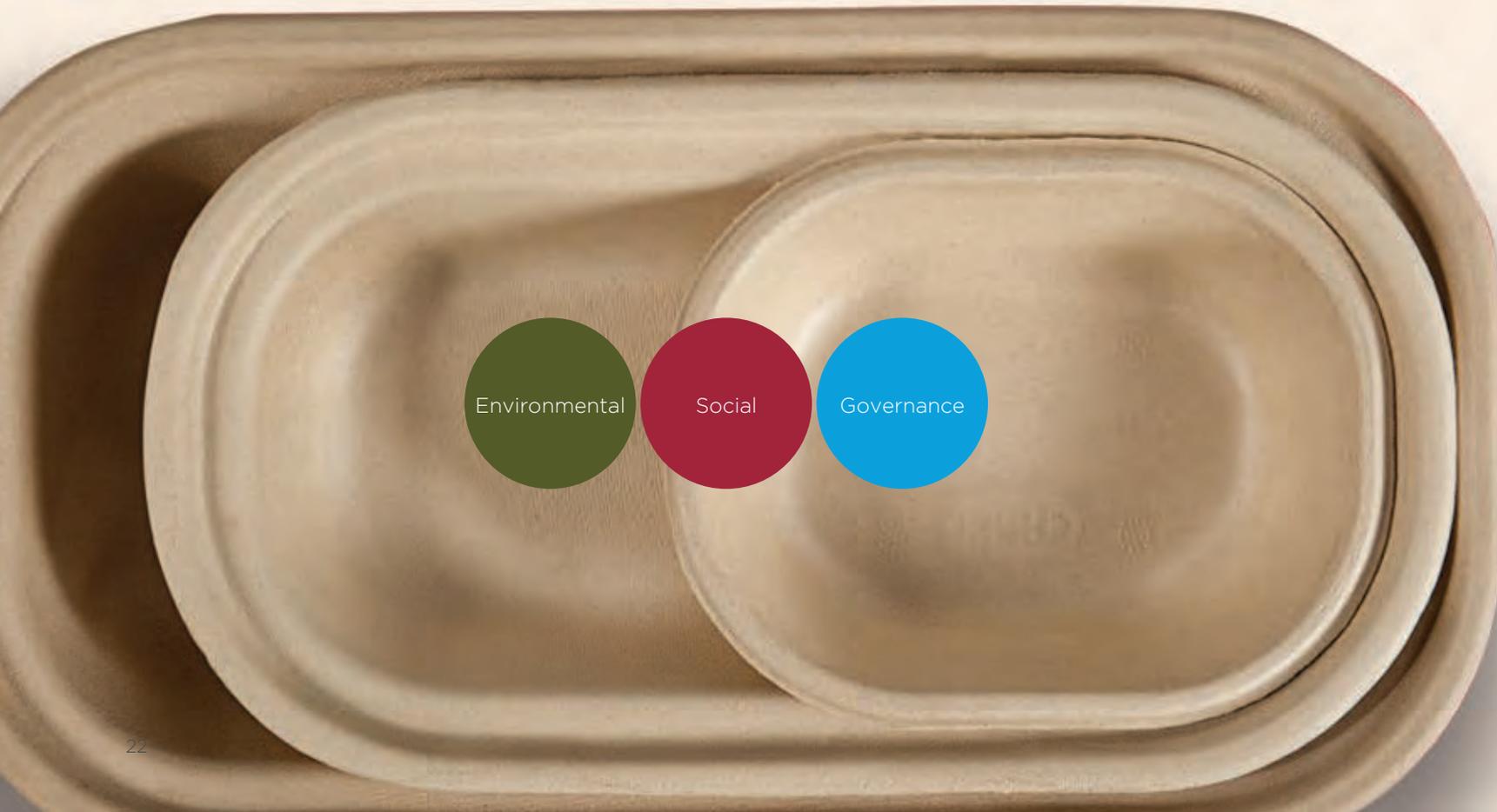


## Putting ESG front and centre

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OUR APPROACH TO ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) REFLECTS THE EVOLUTION OF OUR STRATEGY AND REPRESENTS A STEP-CHANGE IN OUR FOCUS ON SUSTAINABILITY.

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## Environmental

### Reducing our environmental footprint

- Anchoring our identity and reputation on green, clean and sustainable packaging products that replace single-use plastic
- 100% product portfolio made from agri-residue fiber (bagasse), which is recyclable, renewable and has a low-carbon footprint
- 100% self-sufficiency in power, generated from renewable non-fossil sources (rice husk and pith)
- Discontinued use of gunny pulp for improved environmental compliance
- 95% chemical recovery efficiency, amongst the best in the peer group
- Continuous focus on efficient use of water, electricity and chemicals

## Social

### Reinforcing the value of our social contract

- Showed solidarity with the community during COVID-19 through a number of citizenship programs, including food donation drives
- Extended healthcare support through donating an oxygen generator to a local hospital
- Reinforced the social contract with our employees through assuring employment security with no cuts in salary
- Continued with a number of community development programs, both individually as well as in collaboration with NGOs, in areas such as education and youth skills development

## Governance

### Embracing ethical business practices

- Strengthened business ethics and compliance culture with regular training and by ensuring alignment with best practices in business conduct
- Safeguarded the business against bribery, corruption and fraudulent activities through ongoing vigilance
- Encouraged whistle-blowing to ringfence the business from corrupt practices
- Ensured full transparency in material information disclosures, including via quarterly calls with investors

## OUR ESG CONTRIBUTION



Employment creation, especially in backward areas



Trade and investment



Climate protection



Local capacity development



Sustainable exchequer contribution



“2020-21 WAS A DEFINING YEAR IN WHICH STRONG RELATIONSHIPS WITH ALL OUR STAKEHOLDERS WAS FUNDAMENTAL IN ENSURING BUSINESS RESILIENCY. MY APPRECIATION GOES TO ALL OUR STAKEHOLDERS, ESPECIALLY OUR EMPLOYEES FOR THEIR COMMITMENT AND SUPPORT OVER THE COURSE OF THE YEAR.”

- PRADEEP DHOBALE

# Chairman's statement

Dear stakeholders,

The year 2020-21 was undoubtedly a very challenging one, with COVID-19 abruptly upending every aspect of our lives and disrupting every industry worldwide.

It has been inspiring to see how our colleagues have come together when it matters the most. My sincere thanks goes to everyone for going above and beyond to care for one another, to deliver for our customers and support our communities. Our factory largely remained open, thanks to a herculean effort by our people. This includes ensuring the correct protective equipment is made available at all times, running operations in line with relevant legislations during national lockdowns, embracing new shift patterns and digital ways of working, securing supplies, getting products across borders and balancing the many professional and personal pressures we all faced.

Like all businesses, our key priorities through the year have been to protect our people and business and to support our customers. Very early on, we took concerted action related to mitigating the spread of the virus and its impacts, including a travel ban, social distancing and remote and shift-based work streams to maintain business operations. Further, significant effort also went into managing our supply chain to serve our customers in the best possible way. We have built a healthy liquidity position and continue active working capital management and cost savings.

Laid bare by the pandemic, it is true that the battle against climate change cannot be put aside. As a society, we need to put an end to our dependency on fossil-based materials in favour of products based on renewable resources.

Our business is built on a renewable raw material, bagasse, serving national and global markets with products that help customers and consumers make responsible eco-friendly choices. Our offering is also rooted in sustainability, as sustainably managed agri resources grow back. Our products are low-carbon and our operations utilise 100% biomass energy, helping to address some of the climate challenges head-on.

In 2020-21, we refreshed our strategy, entering a new phase in our transformation journey and shaping our business for accelerated growth and value creation. We have anchored our growth initiatives on specialised paper grades that will help us integrate better into customer supply chains, while also enabling us to remain at the frontline of customer-driven innovation. In our moulded products business, we see rising demand for sustainable, plastic-free and circular products, with the pandemic tilting demand for these varieties. Furthermore, with a view to explore collaborative opportunities in sustainable food packaging innovation we have set up a new wholly-owned subsidiary company in the US.

Moving into 2021-22, vaccination will be progressively expanded and accelerated and this will be one of the reasons of economic buoyancy, though one has to keep a sharp lookout on inflation and rising commodity prices. I am confident that we are prepared to manage uncertainty and volatility in this business environment. Our focus is on ensuring that our colleagues and partners are safe, and on serving our customers by keeping our operations running, mitigating supply chain challenges and introducing new products and solutions. We will also focus on Project Jagriti that envisages ramp up of our pulp, paper, moulded products and energy capacities, thus embarking on a new vector of growth that will help us deliver sustained outcomes for the long-term.

While the immediate months and quarters ahead of us continue to be partly uncertain, I do retain my cautious optimism about our future. Our country is steadily expanding vaccination coverage, which is our best hope of moderating the third wave and eventually putting the ruinous effects of the pandemic behind us. Once we push beyond that, the future looks favourable. We look forward to working with all our stakeholders in 2021 and beyond.

On behalf of Yash Pakka, I wish you all good health, safety and a brighter tomorrow.

Warm regards,  
**Pradeep Dhobale**



# Message from the Executive Vice Chairman

My dear investor,

Thank you for your continued confidence in us.

The past year has been one of deep learning for all of us. We realise how futile life can be and how a little virus can completely disrupt humankind. This has also further reinforced the value of our work.

It has been a year of HOPE

I would start by talking about the amazing energy of the Yash Pakka team to overcome the challenges that came our way. Our manufacturing was shut twice, once during the beginning of the pandemic in April 2020, and then in July 2020 as various cases were found in our manufacturing site.

We decided through the ordeal that the most important aspect at the time was to ensure that all our team members and their families were taken care of and hence we learnt how to assist hospitals, run hotels, serve our team in our colonies and also work towards maximising the shutdown period through maintenance and other activities. The team ensured high spirits through the process and not one job was lost and no cuts were made to salaries.

It is truly inspiring for me to see how the team ensured that we get back on our

feet and also end the year profitably, although there were huge challenges in the marketplace. Our products get directly effected as we are mostly focused on food applications, whether it is moulded products, paper or pulp. Yet, our teams kept looking to service our customers, secure longer-term agreements and expand our market reach. The spirit of the team never ceases to amaze me, and I have deep respect for the leadership and teamwork at the organisation.

Emerging stronger through the process

We are stabilising our operations for pulp and paper and are ensuring that we take bigger targets there. We are also focusing on getting deeper into value-added products in the food carry segments. We are looking to expand operations in Ayodhya to be able to provide more pulp and also have more effective solutions for bag products.

It has continued to be a challenge with the moulded products business, but we remain optimistic about the future. We are stabilising the current operations by ensuring better efficiencies and more machine availability. We are also expanding the number of machines, which will enable us to improve the utilisation of our facilities.

We have been in the process of merging our marketing operations, which will enable

the organisation to become more seamless, going forward. As awareness rises and greater statutory regulations come into force, we foresee huge opportunities globally for our products. We would also look to go asset-light to lease manufacturing from other partners so that we can be nimble and more effective in our go-to-market strategies.

Continuing to invest in innovation

As part of our innovation agenda, we are focusing on various domains and products that will be introduced in the coming year. Some of these include:

- Stronger and more effective solutions for grocery bags
- Compostable flexible packaging solutions for specific applications
- Delivery solutions for our moulded products
- Value-added products from our by-product streams

A stronger team and facility is being built as we speak and we will continue to find and build global collaborations for the same.

There has been a significant shift in my role in the past year. I have now moved to a non-executive position in the Indian operations and lead the global operations from the US.

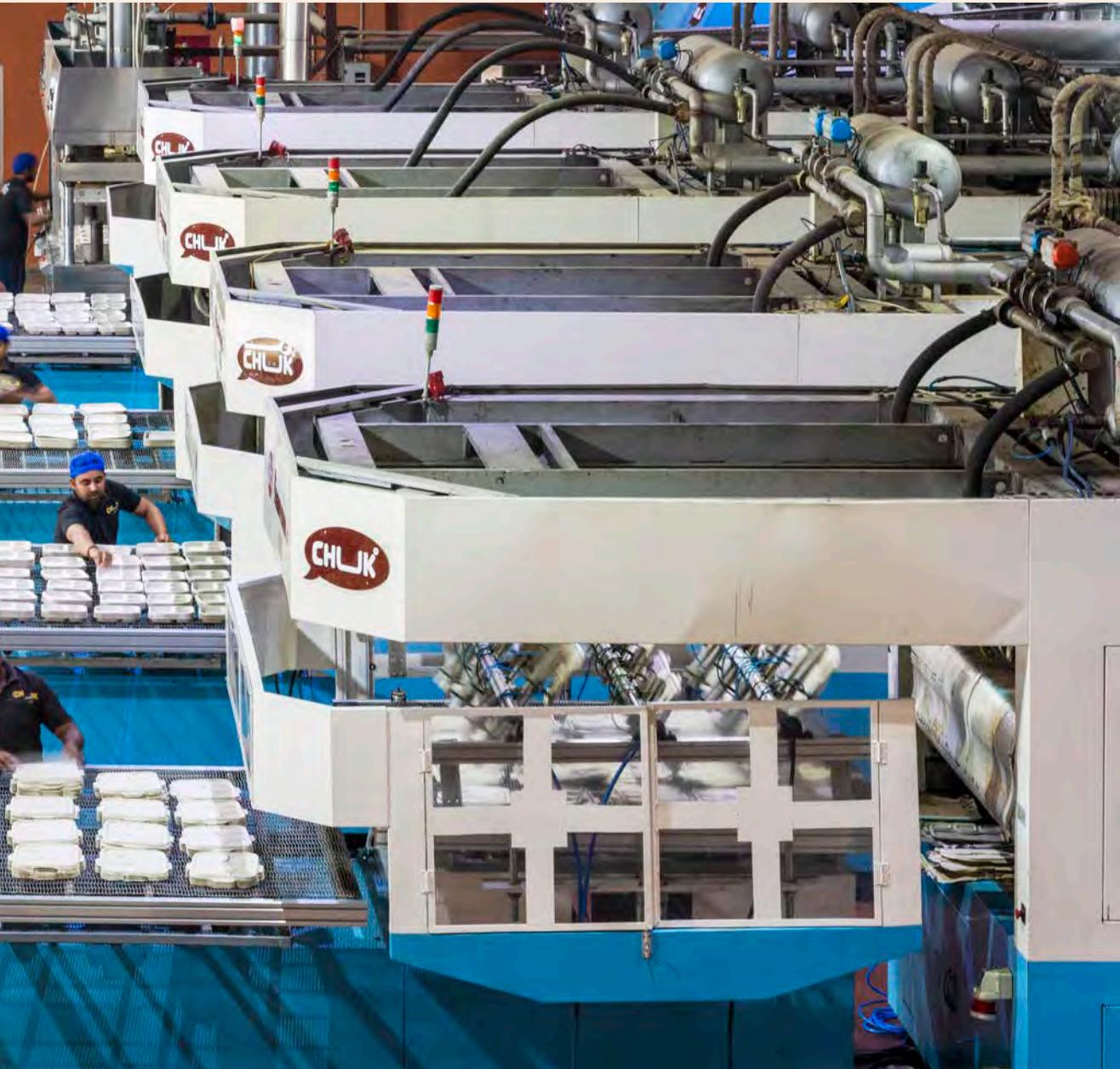
The idea there is to build towards stronger innovation collaborations and investments in the compostable packaging space. We have established a 100% subsidiary in the US and will begin to build towards global impact in the coming period.

I do remain involved as the strategic lead overall and we have various plans to further strengthen our business. We are working on first strengthening the financials and reducing leverage. We will then be looking towards further expanding our manufacturing base and are scouting for opportunities for the same. We remain focused on advancing our compostable products business and thus a strong operating model is being evolved and implemented.

The idea for us at the core is to find and provide compostable packaging solutions to build a value-added business and contribute towards a cleaner planet.

We have initiated investor calls in the past year and have learnt in each one of them. I urge you to join us quarterly to discuss the performance, question our actions and



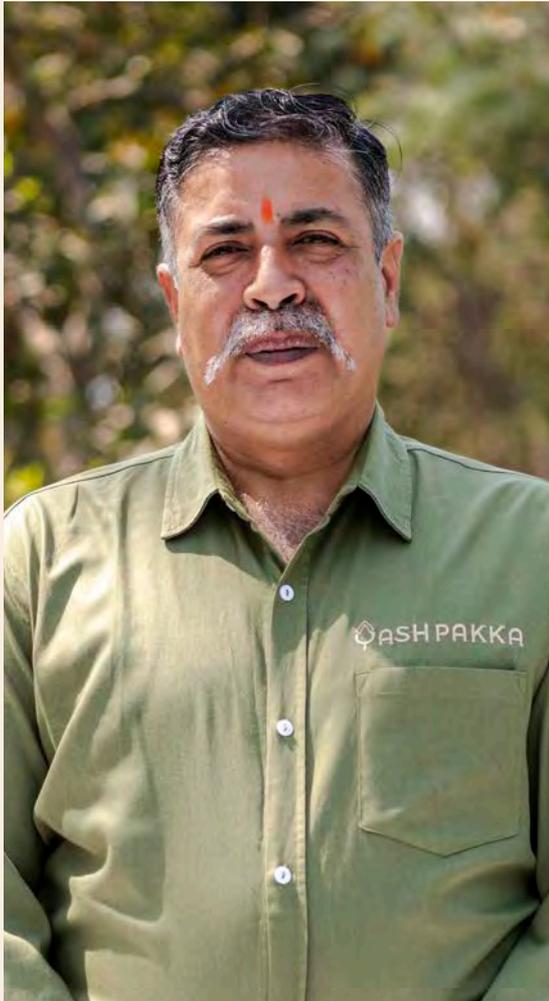


guide us with your ideas. We are always enriched by your presence.

We look forward to raising awareness and building strong results in the compostable packaging space, looking to improved performance in the coming times.

With my best wishes,  
**Ved Krishna**  
A shareholder

## Review by our Managing Director



“FISCAL YEAR 2020-21 WAS UNDOUBTEDLY CHALLENGING, WITH THE COVID-19 PANDEMIC IMPACTING OUR BUSINESS AND MARKETS IN INDIA AND WORLDWIDE. DESPITE THE CHALLENGES, WE ACHIEVED SATISFACTORY PERFORMANCE, WHICH IS THE OUTCOME OF OUR TEAM’S AND PARTNER’S AGILITY AND RESILIENCE, AND BACKED BY A MUCH STRONGER VISION OF THE COMPANY THAT CONTINUES TO ALIGN WITH ITS CORE BELIEF IN SUSTAINABLE DEVELOPMENT FOR THE ENVIRONMENT, CUSTOMERS AND COMMUNITY.”

- JAGDEEP HIRA

### **What is your overall reading of the COVID-19 pandemic? ?**

The pandemic has had a starkly unequal impact. On the one end of the socio-economic scale, extreme poverty is expected to rise for the first time in 20 years. On the other, stock markets across the world averaged 11% growth in 2020. Notably, the socio-economic crisis in the wake of the pandemic has also shifted attitudes and values. Citizens have an increased expectation of governments and businesses in addressing environmental ills. The spotlight is on big corporations to prove their developmental credentials. So, sustainability is coming to the forefront and additional disclosures are being demanded to determine the sustainability impact of organisations. Case in point is the rising emergence of ESG norms.

### **Q. What has been your experience of leading the business during the pandemic?**

COVID-19 hasn’t turned down our spirits. In fact, if anything, it has only enhanced our determination and resolve to recover and achieve normalisation in meeting our purpose of a better future, a need which has only been amplified by the pandemic. The inspiring nature of our purpose has marshalled our resources to rise above any adversity, and our role in the leadership has been to ensure that our teams feel safe, motivated and protected in achieving our performance targets. I feel proud to lead such a team that has embodied the collective spirit of grit and resilience.

### Q. What was the performance of the overall business during the year?

Our business is built on a renewable raw material, bagasse, serving both Indian and global markets with products that help consumers make responsible eco-friendly choices.

Our performance in 2020-21 was reasonable considering that a force majeure event shut our operations for 67 days of the year and by a further 24 days as we focused on curbing the rise of COVID cases within the facility. Thus, our turnover declined by 27% to ₹183.65 cr for the year and yet, our sense of urgency in the swift and safe operational resumption and quick plug-in with supply chains to meet customer demand enabled our Company to remain in the black with a net profit of ₹16.72 cr. This to me is the headline of the year; despite all the adversities and challenges we were able to sustain our profitability.

### Q. Where was the effort the most directed to during the year?

In 2020-21, while on the one side we concentrated on the day-to-day, we also focused on setting ourselves up for the long-term. So, in a sense, we renewed our strategy for accelerated growth and value transformation.

We have chosen to focus our growth initiatives in sustainable packaging, an area

where we have built leading market positions and are driving frontline customer-centric innovation. Thus, we are focusing on strong and competitive asset creation to drive accelerated growth. To strive further in enhancing production capacity of paper and compostable moulded products, we are:

- Enhancing PM# 3 quality to ensure world-class paper with adequate high strength for bag manufacturing for food packaging
- Expansion of capacity in our moulded products business by about 25% to 14-TPD through the installation of 8 new lines
- Growth in our integrated pulp mill capacity by about a fifth to 160-TPD to ensure in-house pulp production for meeting the increased paper and moulded products capacities. Notably, our pulp mill capacity is being expanded to a level that factors any future inorganic growth opportunities in our downstream products
- Co-generation enhancement to supplement growth in production

### Q. What prompted the expansion, especially at this point of time?

Though this might appear as a counter-cyclical investment today, the strategy was seeded years ago. COVID-19 could have derailed our plans, yet we decided to stay on course precisely because of it, as the event

has accelerated demand for sustainable, plastic-free and circular products. There are huge concerns over plastic all over the world. At least 22 countries have imposed a complete ban on it. Paper on the other hand is the most viable and effective solution that can reduce fossil-based materials in packaging. Our moulded products have a similar identity as they are backyard compostable and can easily go back to the earth rather than ending up in landfill.

With the recent development at the domestic level wherein the government has passed legislation for enforcing ban on single-use plastic, we see multifold demand in paper for packaging where we already have an entrenched presence through the highest share of 50%+ in the domestic market. The upcoming investment will only boost the quality of our products to global standards with agri residue as our key raw material. Similarly, our compostable moulded products will witness enormous demand, which will be backed up by capacity enhancement initiatives. Chuk is a brand widely known for customer satisfaction and we are further working to provide the full basket of products as per customer expectations and requirements.

Thus, there is a clear case building up for our products and we are focused on operationalising our new assets over the medium-term.

“

With the consumer segment picking up as more people start using disposables, we have decided to focus on the retail side of the business, which comprises general trade (wholesale), modern trade and e-commerce, to drive growth.

**Q. How did the moulded products division perform during the year?**

Through our compostable moulded products under “Chuk” we are providing a responsible choice to our customers to help them lower their carbon footprint in the supply chain and meet their environmental targets. Pre-pandemic, the brand had covered ground and had enlisted most of the major food, QSR and hospitality brands. However, with the pandemic having a huge negative impact on QSR and dining, the performance of the business also remained restrained during the year.

Yet, with the long-term prospects of moulded products remaining intact, we made important progress during the year. We finalised critical designs and are in the process of launching them in the plates range, which would be aligned as per customer preferences. Further, with dine-in and catering businesses taking a hit, we decided to focus on hotels and hospitals, which helped us sustain our operations and meet our fixed costs.

Besides, with the consumer segment picking up as more people start using disposables, we focused on retail, comprising the general trade (wholesale), modern trade and e-commerce, to drive growth. We thus launched 25-pc retail

pack in the clear PLA segment. Moreover, the business was also able to launch products in the consumer segment via the onboarding of Big Basket and Reliance Smart Retail, which will help us in building the brand right at the consumer level.

**Q. How does Yash Pakka expect to deliver long-term shareholder value?**

To me, shareholder value is a function of two things. One, judicious capital allocation and two, investments for the long-term. At the Company, we are doing both. While our balance sheet supports the new integrated project investment, the expansion project will help accelerate long-term shareholder value as we focus on achieving our ‘Mission 2025’. The investment will give us quality, efficiency and scale and will potentially transform our profitability, which will enhance our ability to grow shareholder value.

The Company’s market capitalisation has increased over the last two-three years, which is clearly reflective of the growing investor interest in our Company and their confidence in what we are building for the long-term.

### What we achieved during the year gone by:

- Produced paper used in medical masks, thus playing our role in society
- Improved pulp quality by adjusting cooking, washing and bleaching conditions with focus on automation
- Reduced inventory despite subdued demand; closing stock was 367 MT, vs. 1,467 MT of opening stock
- Added new customers both in India as well as overseas, including in new territories such as Iraq, Qatar and North of Jordan, thus enlarging our footprint more prominently in the Middle East
- Commenced trading activities for seeding the market and creating a platform for our upcoming glassine and grease-proof paper grades
- Launched new plate designs under Chuk for meeting the diverse food portion preferences of customers

### What's coming up for this year:

- Retrofitting PM#3 to improve paper quality to manufacture specialised high-strength bag paper
- Implementing advanced mill maintenance practices to ensure best possible utilisation
- Identifying skill gaps and training to narrow the gap and enhance productivity
- Maintain stock levels of less than 350 MT
- Enhancing export market share from 25% to 35% (of total production) by augmenting our global distribution network, especially in untapped regions
- Building leading positions in glassine and grease-proof paper, high-strength paper bags for e-commerce, and paper for food bags and wrapping
- Developing general and modern trade channels and fortifying our presence in the QSR segment
- Exploring an asset-light strategy in moulded products manufacturing

# Contributing to megatrends shaping business and society

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COVID-19 HAS HAD A PROFOUND IMPACT ON MARKETS AND CONSUMERS ACROSS THE WORLD. THOUGH THE PACKAGING MARKET HAS REMAINED RESILIENT, WE CONSIDER THAT THE FUTURE OF PACKAGING HAS BEEN PULLED FORWARD SEVERAL YEARS BY THE PANDEMIC, WITH MUCH GREATER EMPHASIS BEING NOW PLACED ON SUSTAINABILITY AND BRAND VALUE.

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## Sustainability

### Key challenges

- Though global consumption is rapidly rising, consumer awareness on eco-friendly materials and limited natural resources is also expanding, while regulation on environmental compliance, circularity and sustainability is increasing.
- Businesses are focused on replacing fossil-based and other non-renewable materials with renewable and recyclable alternatives, a trend that is also being given impetus by green capital and ESG-oriented funds.
- Social and environmental challenges, including food and water insecurity, climate change, biodiversity loss, plastic use and deforestation are common concerns for us and our stakeholders, with implications for business and livelihoods. These challenges have been compounded by the pandemic.
- Consumer awareness around sustainability issues and expectations of businesses to address them, continue to rise, requiring organisations to effectively contribute to solutions to hold relevance among customers.

### Our opportunities

While we continue to face extraordinary social and environmental challenges, we see deep opportunity in delivering sustainable and innovative packaging solutions to our customers and consumers.

We are addressing our opportunities by:

- Keeping sustainability at the centre of our strategy to deliver value-accretive growth.
- Facilitating research and innovation to ensure compliance with environmental standards, while also reducing the carbon footprint of our operations.
- Focusing on creating collaborations via a global innovations platform to explore innovative and meaningful long-term solutions.

## Brand value

### Key challenges

- Rising competitive intensity has enforced the importance for products to be distinctive and stand out on shelves. Thus, packaging is key for our customers, retailers and brand owners to communicate their values to their stakeholders.
- With the need for safety getting amplified by the pandemic, consumers have turned to brands that assure product integrity and security, with packaging playing a crucial role in meeting this demand.
- Consumers, especially millennials, are responding to stories of brands that are sensitive to the environment, are ethical in their practices and respect human rights.

### Our opportunities

- We are helping our customers to keep pace with the ever-evolving consumer demands for convenient, fit-for-purpose, functional and sustainable packaging. Chuk is a case in point, as the brand has gained success in finding resonance amongst a variety of customers.
- We are investing in enhancing the capacity and expertise of our packaging business to broaden our capabilities and grow with our customers.



# Our competitive advantages

THE KEY ATTRIBUTES THAT DIFFERENTIATE US FROM OUR PEERS, WHILE ENSURING BUSINESS SUSTAINABILITY.

## **Purpose-driven organisation**

We are committed to our purpose of building a world-class sustainable packaging business with the mission of working towards a greener world.

## **Multi-stakeholder business model**

Our long-term value creation focus has earned us goodwill among our employees, distribution partners and capital providers.

## **Strategic locational advantages**

Our manufacturing establishment is located in Ayodhya, Uttar Pradesh, in the heart of the agri belt that facilitates seamless and low-cost access to bagasse, rice husk, etc. Further, our large and well-maintained stockyards help de-risk against seasonal resource availability.

### **Diversified customer base, product offering and revenue streams**

Our business and revenue streams are well-diversified across customers (pan-India and global distribution network), sectors (FMCG, food, etc.), products (SKUs in various grammages) and geography (India and abroad), which provides protection in times of volatility. Export income contributed to 17% of our total revenue in 2020-21.

### **Healthy capital and liquidity position**

Our strong and liquid balance sheet provides flexibility to manage uncertainty, change, innovation and growth.

### **Strong growth prospects**

Our prospects for future growth are driven by rising fundamentals for sustainable packaging in food, FMCG, etc. Further, our prospects are also tied to customers looking for specialised high-strength papers, including for bags.

### **Appetite to invest and partner**

Our ₹350-cr capacity expansion plan demonstrates our ability to invest in the future of our business. Further, through our US-based platform we are looking at partnering with various stakeholders to fast-track innovation in sustainable packaging.

# Innovation at Yash



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## COMMITTED TO BUILDING THE ENTERPRISE OF THE FUTURE, WE HAVE INSTITUTED AN INNOVATIONS DIVISION TO SPEARHEAD OUR EFFORTS IN DEVELOPING SOLUTIONS FOR TOMORROW.

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### Overview

At Yash Pakka, in our quest for continuous innovation and product development, we are moving ourselves from a business where sustainability has always been important, to one where it is front and centre of everything we do. Thus, we are focused on exploring the potential of bagasse, a versatile agri resource that offers rich possibilities in sustainable food packaging.

Establishing a distinct focus area under “Innovation”, we are committed to explore possibilities in food packaging that enable the switch to sustainable products, replacing single-use plastic and other such products that inflict long-term harm on the environment.

Our focus on new product development is supported by our in-house innovation laboratory within our complex in Ayodhya and a team of 6 members who are all post-graduates.



### Our near-term focus

We are actively looking to expand our compostable products portfolio and thus progressively evolve our identity into a business that offers best-fit solutions in sustainable food packaging. We are focusing on the commercial launch of two products during the current financial year. These include:



### Our 2025 vision

Our 2025 roadmap articulates our purpose of evolving our identity from developing products to creating solutions, thus collaborating with our customers to help them meet their own environmental objectives and targets.

# Contributing to the SDGs

EMBEDDING SUSTAINABILITY FOR FOSTERING AN IMPACT, WE CREATE VALUE IN THE BIO-ECONOMY WITH OUR RENEWABLE AND COMPOSTABLE PRODUCTS AND THUS CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT GOALS.

## YPL and the SDGs

The 17 United Nations Sustainable Development Goals (SDGs) 2030 address social and economic development issues on a global scale. Also known as the Global Goals, the SDGs were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity.

At Yash Pakka, through our sustainable packaging business, we contribute majorly to 5 goals.

### Responsible procurement

We are taking steps to encourage greater transparency and promote fair working conditions by developing a responsible, inclusive and sustainable supply chain.

SDGs impacted:



### Responsibility to our people

We are fostering a culture that aims to inspire, engage and develop our people to help them reach their full potential, while also nurturing diversity.

SDGs impacted:



### Responsible packaging solutions that create customer value

We engage in sustainable and responsibly-manufactured products in close collaboration with our customers.

SDGs impacted:



### Responsible operational practices

Our focus on operational excellence drives efficiency improvements to ensure responsible use of precious resources.

SDGs impacted:



### Responsible raw material management

We are promoting positive change by meeting increasing demand for sustainable fibre-based products.

SDGs impacted:



# Managing risks

OUR REPUTATION AS A TRUSTED PARTNER IS BUILT ON THE STRONG FOUNDATIONS OF RISK MANAGEMENT AND ETHICAL CONDUCT. THIS PROTECTS THE VALUE WE CREATE FOR OUR STAKEHOLDERS.

## Impacts of COVID-19, a “black swan” event

The Company operated in a highly complex and uncertain external environment in 2020-21. The public health, financial and humanitarian threats associated with COVID-19 compounded the socio-economic pressures that existed in India and elsewhere across our key global markets prior to the onset of the pandemic.

COVID-19 did not slow the momentum of change in our competitive landscape; rather, it amplified the threat as competition intensified focus on low-grammage paper and created a major pricing distortion. However, challenges in raw material

(newsprint) availability eased supply-side pressures to some extent. Chuk, our compostable tableware brand, also suffered erosion in demand on account of lockdowns that subdued offtake from QSR customers, who are the major buyers.

This made it imperative to accelerate resumption of the business once the lockdowns were lifted. Thus, the July-December 2020 period was relatively strong, as production ramped up, supply chain disruptions eased, demand revived and consumer confidence came back. However, the second wave of the pandemic hit the first quarter of 2021-22 and heterogenous

lockdowns dislocated supply chains yet again. This impacted our January-March 2021 performance.

In line with our medium-term strategy, we will focus on dealing with the immediate impacts of the pandemic. While we will ensure full resumption of operations and normalise customer deliveries, we will also focus on our new project comprising the installation of a new paper machine and 8 more lines for expanding our tableware capacity. This is in addition to capacity expansion for pulp and power.



Key risks facing our business and our actions to counter these are given below.

Risk type	Risk description	Mitigation measures
<b>People risk</b>	The challenge or failure to attract and retain skilled, committed people.	<ul style="list-style-type: none"> <li>• We are focused on employer branding, positioning YPL as a new-age business engaged in cutting-edge innovation and making a difference to the planet</li> <li>• We foster a culture of empowerment and transparency, while cultivating grit, resilience and an owners' mindset</li> <li>• We continuously engage in compensation benchmarking, while also sustaining a variable performance-linked pay</li> </ul>
<b>Business resilience risk</b>	Losses arising from critical system failures and/or business process failures impacting our ability to do business.	<ul style="list-style-type: none"> <li>• We resorted to our business continuity plans (BCP) as soon as we determined the classical makings of a pandemic</li> <li>• While we shifted to remote working, for employees in critical roles we provided full health, hygiene and sanitisation support</li> <li>• We prudently utilised the downtime for maintenance, which ensured quicker capacity ramp-up once the lockdown conditions eased</li> <li>• We extended full support to our channel partners, while also focusing on meeting customer requirements, which resulted in minimal closing stock</li> </ul>
<b>ESG risk</b>	The direct and indirect impact on the environment and society caused by the Company that might prevent it from achieving its strategic objectives.	<ul style="list-style-type: none"> <li>• As a Company focused on the sustainable packaging industry, we are aware of our ESG responsibility</li> <li>• We measure our ESG impact across a wide range of parameters and also identify opportunities to escalate our impact</li> </ul>
<b>Financial risk</b>	Our inability to maintain or generate sufficient cash resources to meet our payment obligations in full as they fall due, or at disadvantageous terms.	<ul style="list-style-type: none"> <li>• Though we utilised loan moratorium as sanctioned by regulatory bodies, we have since normalised our interest payments</li> <li>• Our debt-equity ratio stands at a comfortable 0.60x</li> <li>• We optimised our interest expenses during the year and are in regular discussion with our consortium for rate reduction</li> <li>• Our stable credit ratings supports our case for debt cost reduction</li> </ul>

# Financial capital

OUR FINANCIAL CAPITAL COMPRISES THE POOL OF FUNDS AVAILABLE TO US FOR DEPLOYMENT, WHICH INCLUDES DEBT, RETAINED EARNINGS AND EQUITY FUNDING.

## Principal objectives

- Access cost-effective funding, either through debt or equity
- Maintain sound credit metrics
- Lower total cost of capital
- Fund our new capex through the most optimal investment mix

## Managing during COVID-19

- Ensuring liquidity for enhancing organisational sustainability
- Facilitating business continuity in the new operating context
- Enhancing stakeholder engagement

## Key outcomes

- Healthy liquidity levels
- Debt cost of 9.2% (avge.)



## Message from our CFO

“Our financial strategy during the year was anchored on planning, forecasting and taking prudent decisions rooted in long-term thinking. We drew on moratorium benefits as stipulated by regulations, yet ensured adequate liquidity buffers to be able to meet our interest obligations at all times. Another lever that we harnessed was overall cost curtailment, without touching salary costs, to ensure that our business was aligned with the times. These initiatives enabled the Company to report profits for the year 2020-21, despite the year being of two quarters because of the coronavirus-induced shutdowns. We are working on prudent and judicious ways to reduce our cost of capital and attract investment for our expansion projects. Our focus is also on funds preservation and creating a robust financial buffer that will help us explore sustainable business opportunities at the right time.”

- Jignesh Shah

# Manufactured capital

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OUR MANUFACTURED CAPITAL COMPRISES OUR INTEGRATED PRODUCTION ASSETS, INCLUDING OUR PULP MILL, OUR PAPER MACHINES, OUR MOULDED PRODUCT LINES, OUR RECOVERY BOILER AND OUR POWER PLANTS. IT ALSO COMPRISES OUR WAREHOUSES THAT ARE CRUCIAL FOR RAW MATERIAL (ESPECIALLY BAGASSE) STOCKING AND STORAGE.

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## Principal objectives

- Optimise production efficiencies and costs
- Lower consumption of key resources, such as water, energy and chemicals
- Maximise waste re-utilisation
- Ensure alignment with performance targets

## Managing during COVID-19

- Enabled maintenance work during the shutdown to enhance asset efficiency
- Used the lockdown downtime to build people skills through virtual technical trainings
- Facilitated quick and COVID-safe resumption once the curbs were lifted

## Key outcomes

- Achieved 6% reduction in overall expenses
- Realised energy and raw material cost reduction of 15% and 15.5%, respectively
- Achieved savings in water consumption of about 18% through process efficiency and re-utilisation
- Secured full raw material (bagasse) inventory for the current year, taking advantage of relatively lower prices

# Human capital

OUR HUMAN CAPITAL IS CONSTITUTED BY OUR PEOPLE WHO ARE THE HEART AND SOUL OF OUR COMPANY. THEIR KNOWLEDGE, SKILLS, PERSEVERANCE, ENTHUSIASM, PASSION AND COMMITMENT TO OUR PURPOSE ENSURE THAT WE REMAIN SUSTAINABLE IN THE LONG-TERM.

## Principal objectives

- Investing in our people through training, skills building and capacity development
- Fostering a diverse and inclusive culture
- Developing high-performance leaders of tomorrow
- Offering a fulfilling and rewarding work environment

## Our focus areas

Our people are our torchbearers of hope and it is their skills, professionalism, commitment to work and devotion to look after each other that comprises our most valuable asset.

Our top priority at the outset of the pandemic was to protect the health, safety and wellbeing of our employees. Key actions included:

- COVID-secure measures were put in place at all offices and workplaces, including additional hand sanitiser stations and screens between desks and in reception areas
- Enabled and supported remote working, which ensured continuity of customer

service

- Financial support packages were put in place for employees to enable them to tide over any financial challenges
- Enhanced two-way engagement with employees through communication channels, including video calls and virtual conferences
- Held virtual learning sessions as well as mental health awareness programs for enabling people to cope better
- Announced no salary deductions or retrenchment, thereby reinforcing employee bonds
- Remained focused on creating awareness around vaccination, with the result that nearly 100% of our staff has been vaccinated with the first dose (as on June 2021)

Some of the other ongoing initiatives of the year comprised:

- Furthering employee learning and development under Yash Samriddhi Path, under which we provided almost 2,000 hours of people training during the year

- We created customised learning modules for our people, especially those in technical and sales and marketing roles

Major initiatives expected in the current year include:

- Appointment of a welfare officer to bring structure to people welfare
- Focused hiring to fill up key roles, especially for our new project
- Develop support infrastructure for facilitating diversity, including for the especially-abled
- Achieve Great Place to Work® certification

# Natural capital

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OUR NATURAL CAPITAL COMPRISES OUR RENEWABLE ENVIRONMENTAL RESOURCES AND PROCESSES THAT SUPPORT THE IDENTITY OF OUR COMPANY AS A SUSTAINABLE BUSINESS.

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## Principal objectives

- Preserve our natural resources to improve our sustainability credentials
- Contribute to climate improvement through our knowhow, processes and products
- Minimise our carbon footprint

## Key outcomes

- 100% biofuel-based power generation ensuring full energy self-sufficiency
- 95% chemical recovery rate, even as we are focusing on further improvement
- Robust rainwater harvesting systems across the plant

## Managing during COVID-19

- Discontinued gunny pulp use, which improved environmental compliance in pulp-making
- Focused on enhancing automation and efficiencies in energy conservation
- Lowered organisational carbon footprint through adopting video-conferencing and e-meetings

# Intellectual capital

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OUR INTELLECTUAL CAPITAL REFERS TO THE KNOWLEDGE AND CAPABILITY INTRINSIC TO OUR ORGANISATION. IT COMPRISES THE DNA OF OUR COMPANY AND HOW WE DO BUSINESS.

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## Principal objectives

- Formulate strong, relevant and future-facing business strategies and follow it up with execution agility and excellence
- Challenge our intellectual capital to explore disruptive ideas that can emerge as a business opportunity

## Our focus areas

- We consider ESG factors and our future sustainability in our decision-making processes
- We strive to implement transparent governance practices to ensure that our Company is well-managed with safeguards for protecting stakeholder interests
- We believe technology and innovation are major drivers of long-term value, and to remain competitive we encourage experimentation, creativity and flexibility that promote innovative thinking

# Social and relationship capital

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OUR MANUFACTURING SITE IS ENTRENCHED IN THE COMMUNITY. THUS WE SEE OUR SOCIAL AND RELATIONSHIP CAPITAL AS THE LINK BETWEEN OUR PRESENCE AND THE BROADER SOCIETY.

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## Principal objectives

- We seek to engage positively and have a meaningful impact on our social landscape
- We implement informed and targetted initiatives to maximise value among beneficiaries
- We create shared partnerships for amplifying community impact

## Managing during COVID-19

- We focused on accelerating our involvement and engagement in the communities around our plant's vicinity to extend help and support during the COVID-19 emergency
- We donated an oxygen plant to a local hospital for facilitating relief among COVID patients
- We mobilised several food and dry ration drives to support vulnerable communities

## Our focus areas

### Education:

- Impact: We have many children from backward societies learning at our various schools
- Partnerships: Eklavya, an NGO that specialises in education and Sarthak, an NGO that focuses on education for children living in slums
- Initiatives:
  - Establishment of 15 Krish Niketan schools near our factory for offering experiential and fun-based learning to 3-6-year-old children
  - Development of "Naka School" in Ayodhya to lift children (3-6-years-old) out of begging and provide them with a cheerful learning environment
  - Conceptualisation of a small learning corner for children of brick kiln migrant labourers near Ayodhya to give them a dedicated space to learn
  - We regularly organise counselling sessions for youth passing out of YPL ITI, helping them choose a suitable career path

### Sanitation:

- We are exploring options in this field, focusing first on cleaning and beautification of ponds

## **YASH PAKKA LIMITED** (Formerly Yash Papers Limited)

**Regd. Office: 2nd Floor, 24/57, Birhana Road, Kanpur – 208001, Uttar Pradesh**  
**Corp. Office: Yash Nagar, Ayodhya – 224 135, Uttar Pradesh**  
**CIN – L24231UP1981PLC005294 | T: +91 5278 258174**  
**E: connect@yashpakka.com | Website: https://www.yashpakka.com**

### **NOTICE**

NOTICE is hereby given that the 41st Annual General Meeting (“AGM”) of the Members of Yash Pakka Limited will be held on Thursday, the 30th September, 2021 at 10:00 a.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:

### **ORDINARY BUSINESS**

Camp: Ayodhya  
Date: 3rd September, 2021

### **NOTES:**

1. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs (“MCA”) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the

#### **Item no. 1 – Adoption of financial statements**

To consider and adopt the audited financial statements of the Company for the year ended March 31, 2021 and the reports of the Board of Directors (“the Board”) and the Auditors thereon.

#### **Item no. 2 – Declaration of dividend**

To declare a final dividend of Rs.1 per equity share for the year ended March 31, 2021.

#### **Item no. 3 – Appointment of Mrs. Manjula Jhunjunwala as a director liable to retire by rotation**

To appoint a Director in place of Mrs. Manjula Jhunjunwala (DIN: 00192901), who retires by rotation at this Annual General Meeting, and being eligible, has offered herself for re-appointment.

By Order of the Board  
for **Yash Pakka Limited**

Sd/-

**Bhavna Patel**

*Company Secretary & Compliance Officer*

AGM of the Company is being held through VC.

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.
3. Participation of members through VC will be reckoned for the purpose of quorum for

the AGM as per Section 103 of the Act.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to amitguptacs@

- gmail.com with a copy marked to evoting@nsdl.co.in
5. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2021. Members seeking to inspect such documents can send an email to share@yashpakka.com
  6. Members whose shareholding is in electronic mode are requested to notify any

change in address or bank account details to their respective depository participant(s) (“DP”). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (“ECS”) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. Please refer to point no. 16 for the process to be followed for updating bank account details.

7. Members may note that the Board, at its meeting held on June 30, 2021, has recommended a final dividend of 1 per share. The record date for the purpose of final dividend for the year 2021 is September 23, 2021. The final dividend, once approved by the members in the ensuing AGM, will be made from Monday, October 4, 2021 onwards electronically through various online transfer modes to

those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses.

8. Members may note that the Income-tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (“TDS”) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

**For resident shareholders,** taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (“PAN”)	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during fiscal 2022 does not exceed 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any

other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement

(“DTAA”), read with Multilateral Instrument (“MLI”) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962

- Copy of Tax Residency Certificate for fiscal 2022 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

9. Members are requested to address all correspondence, including dividend-related matters, to RTA, Skyline Financial Services Private Limited, Unit: D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020, Tel. : 011-26812682, 83, 011-64732681 to 88, Fax : 011-26812682, E-Mail : admin@skylinerta.com, Website : www.skylinerta.com
10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at

secretarial@yashpakka.com. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules.

11. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the National Securities Depository Limited ("NSDL"). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the "Instructions for e-voting" section which forms part of this Notice. The Board has appointed Amit Gupta of Amit Gupta & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
12. Members holding share either in physical

or dematerialized form, as on cut-off date, i.e. as on September 23, 2021, may cast their votes electronically. The e-voting period commences on Monday, September 27, 2021 (9:00 a.m. IST) and ends on Wednesday, September 29, 2021 (5:00 p.m. IST). The e-voting module will be disabled by NSDL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 23, 2021. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
14. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. September 03, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual

shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. September 23, 2021, may follow steps mentioned in the Notice under “Instructions for e-voting”.

15. In compliance with the Circulars, the Annual Report 2020-21, the Notice of the 41st AGM, and instructions for e-voting are being sent through electronic mode to

those members whose email addresses are registered with the Company /depository participant(s).

16. We urge members to support our commitment to environmental protection by choosing to receive the Company’s communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository

participants, and members holding shares in physical mode are requested to update their email addresses with the Company’s RTA, Skyline Financial Services Private Limited at admin@skylinerta.com, to receive copies of the Annual Report 2020-21 in electronic mode.

Members may follow the process detailed below for registration of email ID to obtain the Annual Report and update of bank account details for the receipt of dividend.

Type of holder	Process to be followed	
	Registering email address	Updating bank account details
Physical	Send a written request to the RTA of the Company, Skyline Financial Services Private Limited, Unit: D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020, at info@skyline.com providing Folio Number, name of member, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAAR (self-attested copy of Aadhaar card) for registering email address.	<p>Send a written request to the RTA of the Company, Skyline Financial Services Private Limited, Unit: D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020, providing Folio Number, name of member, copy of the share certificate (front and back), PAN (self-attested Copy of PAN card), AADHAAR (self-attested copy of Aadhaar card) and self-attested copy of the cancelled cheque leaf bearing the name of the first holder for updating bank account details.</p> <p>The following additional details / documents need to be provided in case of updating bank account details:</p> <ul style="list-style-type: none"> <li>• Name and branch of the bank in which you wish to receive the dividend, the bank account type</li> <li>• Bank account number allotted by their banks after implementation of core banking solutions</li> <li>• 9-digit MICR Code Number</li> <li>• 11-digit IFSC</li> </ul>
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP	

17. Members may also note that the Notice of the 41st AGM and the Annual Report 2020-21 will also be available on the Company's website, <https://www.yashpakka.com/investors>, website of the stock exchange, i.e. BSE, at [www.bseindia.com](http://www.bseindia.com), respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
18. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
19. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
20. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://www.yashpakka.com/pdf/Form%20No.SH-13Nomination%20Form%20YPL.pdf> Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
21. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange, NSDL and RTA, and will also be displayed on the Company's website, [www.Yashpakka.com](http://www.Yashpakka.com).
22. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

**YASH PAKKA LIMITED**

CIN: L24231UP1981PLC005294  
 2nd Floor, 24/57, Birhana Road,  
 Kanpur - 208001, Uttar Pradesh  
 Tel: 91 7800008301  
[secretarial@yashpakka.com](mailto:secretarial@yashpakka.com)  
[www.yashpakka.com](http://www.yashpakka.com)  
 3rd September, 2021

By order of the Board of Directors  
 for **Yash Pakka Limited**

*Sd/-*  
**Bhavna Patel**  
*Company Secretary*

**DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT 41ST ANNUAL GENERAL MEETING IN PURSUANCE OF PROVISIONS OF COMPANIES ACT, 2013 & REGULATIONS 36(3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

<b>Particulars</b>	Mrs. Manjula Jhunjhunwala
<b>DIN</b>	00192901
<b>Date of Birth</b>	19.03.1952
<b>Date of Appointment</b>	17.06.1981
<b>Education</b>	B.A. (Hons.), B.Ed.
<b>Occupation</b>	Educationist
<b>Brief resume, qualification, experience and nature of expertise in specific functional are as</b>	Mrs. Manjula Jhunjhunwala is our founder Director. As our founder Mr. K. K. Jhunjhunwala always said 'the business is here because of her. She sold her jewellery to provide the seed capital to her husband to establish the business. Mrs. Manjula Jhunjhunwala is a revered educationist and philanthropist. She has built a great name in the field of early education through Jingle Bells Nursery Schools Society. Her passion is to build a better nation for the future generations and works tirelessly towards the same.
<b>No. of Board Meetings attended during the financial year ended 31st March, 2020</b>	5
<b>Directorship in other Listed Company</b>	<ol style="list-style-type: none"> <li>1. Yash Agro Products Limited - Unlisted</li> <li>2. Yash Skills Limited - Unlisted</li> </ol>
<b>Memberships / Chairmanships of committees of other public companies (includes only Audit Committee, Stakeholders' Relationship Committee and Nomination &amp; Remuneration Committee)</b>	<b>Yash Pakka Limited</b> (i) Corporate Social Responsibility (CSR) Committee - Member (ii) Stakeholder Relationship Committee - Member
<b>Number of Shares held in the Company</b>	5,51,066 equity shares
<b>Inter-se relationship with other Directors and Key Managerial Personnel</b>	<ol style="list-style-type: none"> <li>1. Mr. Ved Krishna</li> <li>2. Mrs. Kimberly Ann McArthur</li> </ol>
<b>Details of Remuneration sought to be paid</b>	Mrs. Manjula Jhunjhunwala is a Non-Executive Director of the Company and is paid sitting fees Rs. 25,000/- for attending each meeting of Board, Committee of Board and pension of Rs. 1,00,000/- per month or as approved by the Board of Directors from time to time
<b>Remuneration last drawn by the Director</b>	Please refer Corporate Governance Report forming part of the Annual Report

## Instructions for e-voting

The details of the process and manner for remote e-voting and voting during the AGM are explained below:

### Step 1: Access to the NSDL e-voting system

### Step 2: Cast your vote electronically on NSDL e-voting system.

### Step 1: Access to the NSDL e-voting system Details

In terms of the SEBI circular dated December 9, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting

process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

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

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system

is launched, click on the icon “Login” which is available under “Shareholders” section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically on NSDL e-voting system.

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 EVEN is 118008 and folio number is 001*** then user ID is 11800800

5. Your password details 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 by NSDL. 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 in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). 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. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click 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 on NSDL e-voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 118008.
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a 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 email to [amitguptacs@gmail.com](mailto:amitguptacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

In case of any grievances connected with facility for e-voting, please contact

**Ms. Pallavi Mhatre,**  
**Manager,** NSDL,  
 4th Floor, 'A' Wing, Trade World,  
 Kamala Mills Compound, Senapati Bapat Marg,  
 Lower Parel, Mumbai 400 013.  
 Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in); [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in),  
 Tel: 91 22 2499 4545/ 1800-222-990

## Information at a glance

Particulars	Details
Time and date of AGM	11:00 a.m. IST, Thursday, September 30, 2021
Mode	Video conference and other audio visual means
Final dividend record date	September 23, 2021
Final dividend payment date	October 4, 2021 onwards
Cut-off date for e-voting	Thursday, September 23, 2021
E-voting start time and date	9:00 a.m. IST, September 27, 2021
E-voting end time and date	5:00 p.m. IST, September 29, 2021
E-voting website of NSDL	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
Name, address and contact details of e-voting service provider	Contact name: <b>Amit Vishal</b> <i>Senior Manager</i> <b>Pallavi Mhatre</b> <i>Manager</i> <b>National Securities Depository Limited,</b> 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, India Contact details: Email ID: AmitV@nsdl.co.in; pallavid@nsdl.co.in; evoting@nsdl.co.in; Contact number: 1800 1020 990 / 1800 224 430
Name, address and contact details of Registrar and Transfer Agent	Contact name: <b>Parveen Sharma</b> <i>Deputy General Manager</i> <b>Skyline Financial Service Private Limited,</b> D-153 A, 1stFloor, Okhla Industrial Area, Phase - I, New Delhi-110 020. Contact details: Email ID: parveen@skylinerta.com; Contact number: 011-40450193

## YASH PAKKA LIMITED

CIN: L24231UP1981PLC005294  
2nd Floor, 24/57, Birhana Road,  
Kanpur - 208001, Uttar Pradesh  
Tel: 91 7800008301  
secretarial@yashpakka.com  
www.yashpakka.com  
September 3, 2021

By order of the Board of Directors  
for **Yash Pakka Limited**

Sd/-  
**Bhavna Patel**  
Company Secretary

# DIRECTORS' REPORT

*To the members*

The Directors are pleased to present to you the Forty-first Annual Report on the business and operations of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2021.

## 1. CORPORATE OVERVIEW

The Company was incorporated in year 1981. The Company has started its first commercial production in year 1983 and has thereafter transformed from being an Indian small paper manufacture to a large specialty packaging products manufacturing and trading group with leadership position in specialty papers and Moulded (Tableware) products and enjoys a formidable position across paper industries in national and global markets. As a Company with an agri byproduct as our key raw material resource (bagasse), our products are sustainable and enable our customers to meet their sustainability expectations in their value chain. Furthermore, since our products are easily compostable, they represent a sustainable solution for planet earth too.

## 2. FINANCIAL SUMMARY AND HIGHLIGHTS:

The summarized financial performance of your Company for the financial year 2020-21 as compared to previous year 2019-20 has been as under:

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>I. Revenue from operations</b>	18,365.09	25,238.68
II. Other income	1,132.87	871.82
<b>III. Total Income</b>	<b>19,497.96</b>	<b>26,110.50</b>
<b>IV. Expenses</b>		
Cost of materials consumed	7,009.69	10,175.01
Purchase of stock-in-trade	3.87	3.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	157.37	(59.47)
Employee benefits expenses	2,794.32	2,667.06
Finance costs	1,094.53	1,261.40

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation and amortization expenses	965.93	975.95
Power and Fuel	2,758.13	4,162.87
Other expenses	2,421.00	2,970.59
<b>Total Expenses (IV)</b>	<b>17,204.84</b>	<b>22,156.66</b>
<b>V. Profit before Tax</b>	<b>2,293.12</b>	<b>3,953.84</b>
<b>VI. Tax expense:</b>		
1. Current tax	411.50	714.48
2. Deferred tax	209.51	477.53
<b>VII. Profit for the period</b>	<b>1,672.11</b>	<b>2,761.83</b>
<b>VIII. Other comprehensive income</b>		
(i) Items that will not be reclassified to profit or loss Re-measurements of the defined benefit plans	31.91	(62.69)
(ii) Income tax related to items that will not be reclassified to profit or loss	(9.29)	18.26
<b>Sub Total</b>	<b>22.62</b>	<b>(44.43)</b>
<b>IX. Total comprehensive income for the period</b>	<b>1,694.73</b>	<b>2,717.40</b>
<b>X. Earnings per equity share</b>		
1. Basic	4.74	7.84
2. Diluted	4.74	7.84

### 3. PERFORMANCE REVIEW

The financial year 2020-21 was one of the most challenging year for the mankind due to the surge of Covid-19 pandemic. The year also witnessed a setback to economy of all countries including India resulting in downtrend of demand. The year has been a challenging year for your Company, as we witnessed a shutdown in production for 67 days driven by national lockdowns and also business disruptions due to Covid impact on the people and general slow off take in first and second quarter of the year.

During the financial year 2020-21 total income was lower by 25.3% as compared to the year 2019-20. In spite of lower sales due to Covid-19 impact, profit after tax remained at 9.10% as compared to 10.94% of revenue. Impact of lower sales was marginalized with better efficiency and cost reduction measures. With improvement in Covid Impact and opening of the economy middle of last year, your Company has started showing recovery in performance and has done considerably well in third and fourth quarter of the year. The path of recovery will continue in the coming year and performance will improve in the next financial year.

Your Company has total production of 38,059 MT in Kraft Paper, Poster Paper, Pulp, Moulded and Pith Pallet during the year ended 31st March, 2021 against a production of 51,834 MT in Kraft Paper, Poster Paper, Pulp, Moulded and Pith Pallet in the previous year ended 31st March, 2020.

The Company has sales of 31,956 MT in Kraft Paper, Poster Paper, Pulp, Moulded and Pith Pallet during the year ended 31st March, 2021 against sales of 43,016 MT in Kraft Paper, Poster Paper, Pulp, Moulded and Pith Pallet in the previous year ended 31st March, 2020.

The Company has exported 4,975 MT in Kraft,

Poster Paper and Moulded during the year ended 31st March, 2021 against 6,427 MT in the previous year ended 31st March, 2020.

#### 4. DIVIDEND

Based on the Company's performance, the Directors have recommended a final dividend of 10% (Rs.1 per equity share) for the year ended 31st March, 2021 subject to approval of the members at ensuing Annual General Meeting.

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Final Dividend for the year ended Re. 1 per share (P.Y. Nil)	352.40	352.40
Dividend Distribution Tax on above	0.00	0.00
<b>Total</b>	<b>352.40</b>	<b>352.40</b>

The dividend on equity shares, if approved by the members, would involve a cash outflow of Rs.352.40/- lakhs.

#### 5. TRANSFER TO RESERVES

The closing balance of the retained earnings of the Company for FY 2021, after all appropriation and adjustments was Rs.7,785.56 Lakhs. The details of Reserve are given below:-

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve	37.32	37.32
Securities Premium	1,172.16	1,172.16
General Reserve	550.00	550.00
Retained Earnings	7,785.56	6465.85

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Other Comprehensive Income	(63.72)	(86.34)
<b>Total</b>	<b>9,481.32</b>	<b>8,138.99</b>

## 6. SHARE CAPITAL

The authorized share capital of the Company was Rs.6,000 lakhs divided into 560 lakhs equity shares of Rs.10 each and 4 lakhs preference share capital of Rs.100 each.

The paid up Equity Share Capital of the Company as on 31st March, 2021 was Rs.3,524 lakhs.

The paid up Equity Share Capital of the Company as on 31st July, 2021 i.e. the date of Directors' Report was Rs.3,524 lakhs.

The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares during the year under review. The Company has paid Listing Fees for the financial year 2021-22 to BSE Limited, where its equity shares are listed.

## 7. UPDATES ON ESOP

Your Company has approved ESOP in the Board Meeting in the year 2019 i.e. 'Yash Team Stock Option Plan - 2019' and approved by the members of the Company in the year 2019, which was subsequently amended in the year 2020 with the approval of the members of the Company. However, 'Yash Team Stock Option Plan - 2019' was not implemented nor any Options were granted under 'Yash Team Stock Option Plan - 2019'. In view of certain changed circumstances the Company is rethinking about the ESOP Plan and approved Scheme has been is kept on hold.

## 8. HUMAN RESOURCE DEVELOPMENT

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process and management development programs to upgrade skills of

manager. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company believes in the potential of people to go beyond and be the game-changing force for business transformation and success. This potential is harnessed by fostering an open and inclusive work culture that enables breakthrough performance and comprehensive development of employees through the three pillars of Leading Self, Leading Teams and Leading Business.

## 9. CREDIT RATING

The Company had given mandate to Brickwork Ratings India Private Limited to rate its long term and short term debts. The Brickwork Ratings India Private Limited had issued Credit Rating Letter on 8th March, 2021 as detailed below:-

Facility	(Amount ₹ In Lakhs)		
	Limits (₹ Crs)	Tenure	Rating
Fund Based	118.77	Long Term	BWR BBB Stable
Proposed Fund Based	187.82	Long Term	
Non Fund Based	23.41	Short Term	BWR A3+
<b>Total</b>	<b>330.00</b>	<b>INR Three Hundred and Thirty Crores Only</b>	

## 10. DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Operations and revenue have been impacted due to COVID-19.

## 11. SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND YASH COMPOSTABLES LIMITED

The Board of Directors of the Company had approved a scheme of arrangement between (i) the Company, its shareholders and creditors, and (ii) Yash Compostables Limited and its shareholders and creditors (the "Scheme"). The Scheme contemplates the merger by absorption YCL by the Company. Upon Scheme coming into effect, YCL will get dissolved without winding up basis on terms and conditions as detailed in the Scheme. The Scheme had been approved by the Stock Exchange and provided in-principle approval to the Company. The Company has filed an application before the Hon'ble National Company Law Tribunal, Allahabad and the Order passed from Hon'ble National Company Law Tribunal dated 26th August, 2021 for calling court Tribunal meeting of Shareholders and Creditors for sanctioning the Scheme.

## 12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S

## OPERATIONS IN FUTURE

There is no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## 13. PUBLIC DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## 14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. Mahajan & Aibra., Chartered Accountants, a firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

## 15. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has also implemented several best governance practices. The report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report. Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## 16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances & to provide adequate safeguards against victimization of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at <https://www.yashpakka.com/pdf/policy/>

Whistle%20Blower%20Policy.pdf

## 17. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of

Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has revisited the Internal Complaints Committee members and emphasized on the roles and responsibilities expected from the members. Posters and Banners were refreshed with the list of committee members and strengthened the awareness of zero tolerance through campaigns.

(Amount ₹ In Lakhs)

Opening as on 01.04.2020	Received during FY 2020-21	Redressed during FY 2020-21	Closing as on 31.03.2021
0	0	0	0

## 18. RISK MANAGEMENT

Risk management is embedded in your Company’s operating framework. Your Company believes that managing risks helps in maximizing returns. The Company’s approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

## 19. SECRETARIAL STANDARDS:

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’ respectively.

## 20. RELATED PARTY TRANSACTION

During the financial year ended 31st March 2021, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course

of business and on arm’s length basis and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’).

Further, the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions.

The Related Party Transaction Policy as approved by the Board is available on the website of the Company and can be seen at the link <https://www.yashpakka.com/pdf/policy/Policy%20on%20Materiality%20of%20Related%20Party%20Transaction.pdf>

The form AOC-2 regarding related party transaction is annexed as Annexure ‘A’ and forms an integral part of this Report.

## 21. CORPORATE SOCIAL

## RESPONSIBILITY (CSR)

As a part of its initiative under the “Corporate Social Responsibility” (CSR) drive, the Company has undertaken projects in the areas of environment sustainability, preventive health care, eradication of hunger, education, women empowerment, health, hygiene and sanitation. These projects are in accordance with Schedule VII to the Act and the Company’s CSR policy. During the year, the Board of Directors on the recommendation of Corporate Social Responsibility Committee of the Company has amended the CSR policy and decided that for the Financial Year 2020-21, the focus areas of the Company for utilizing the earmarked CSR Fund are as under:

- ▶ Eradicating hunger, poverty and malnutrition;
- ▶ Promotion of healthcare including preventive healthcare;
- ▶ Promotion of education and employment-

enhancing vocational skills;

- ▶ Ensuring environmental sustainability;
- ▶ Other areas approved by the CSR Committee within the ambit of CSR Rules as amended from time-to-time.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure 'B' and forms an integral part of this Report. The CSR Policy has been uploaded on the Company's website at [https://www.yashpakka.com/pdf/policy/YPL\\_CSR\\_Policy.pdf](https://www.yashpakka.com/pdf/policy/YPL_CSR_Policy.pdf)

## 22. AUDITORS' OBSERVATION:

### 22.1 STATUTORY AUDITOR

The Statutory Auditor of the Company has given unqualified report during the year under review.

### 22.2 SECRETARIAL AUDITOR

The Secretarial Auditor of the Company has given unqualified report during the year under review.

## 23. DIRECTORS:

### 22.1 CHANGES IN DIRECTORS

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Manjula Jhunjunwala (DIN: 0192901) Directors of the Company, retire by rotation at the ensuing annual general meeting and being eligible, has offered herself for re-appointment.

### 22.2 CHANGES IN KEY MANAGERIAL PERSONNEL

Mr. Manoj Kumar Maurya, Chief Financial Officer

(KMP) of the Company has resigned from the post of CFO with effect from 9th June, 2020.

Mr. Jignesh Shah has been appointed as Chief Financial Officer (KMP) of the Company with effect from 20th June, 2020.

Mr. Sachin Kumar Srivastava, Company Secretary (KMP) of the Company has resigned from the post of Company Secretary with effect from 31st October, 2020.

Ms. Bhavna Kodarbai Patel has been appointed as Company Secretary & Compliance Officer (KMP) of the Company with effect from 31st October, 2020.

### 22.3 INDEPENDENT DIRECTOR(S) DECLARATION

The Company has received declarations from all the Independent Directors of the Company confirming that:

- a) they meet the criteria of independence prescribed under the Act and the Listing Regulations; and
- b) they have registered their names in the Independent Directors' Databank.

The Company has devised, inter alia, the following policies viz.:

- a) Policy for selection of Directors and determining Directors' independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees. The aforesaid policies are available on the Company's website and can be accessed at <https://www.yashpakka.com> under the head of Independent Directors of Investor

Section.

## 22.4 PERFORMANCE EVALUATION

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

In accordance with the manner of evaluation specified by the NRC Committee, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairperson, the non-independent directors and the Board as a whole. The Board of Directors expressed their satisfaction with the evaluation process.

## 22.5 NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance

evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at <https://www.yashpakka.com/pdf/YPL%20Remuneration%20Policy.pdf>

## **24. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with the proper explanation relating to the material departure;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

## **25. DISCLOSURES**

### **25.1 Meetings of The Board**

Six Meetings of the Board of Directors were held during the year. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report.

### **25.2 Audit Committee**

The Audit Committee comprises Mr. Atul Kumar Gupta (Chairman), Mr. Basant Kumar Khaitan, Mr. Ved Krishna, Mr. Jagdeep Hira, Mr. Srinivas Vishnubhatla.

During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### **25.3 Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises Mrs. Kimberly Ann McArthur (Chairman), Mr. Ved Krishna, Mrs. Manjula Jhunjunwala and Dr. Indroneel Banerjee.

### **25.4 Nomination and Remuneration Committee**

Nomination and Remuneration Committee

comprises Dr. Indroneel Banerjee (Chairman), Mr. Pradeep Dhobale, Mr. Basant Kumar Khaitan, Mr. Srinivas Vishnubhatla.

### **25.5 Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee comprises Dr. Indroneel Banerjee (Chairman), Mrs. Manjula Jhunjunwala and Mrs. Kimberly Ann McArthur.

## **26. AUDITORS**

### **26.1 STATUTORY AUDITORS**

CNK& Associates LLP, Chartered Accountants, Mumbai, [Firm Registration No. 101961W/W-100036] submitted their report for the financial year ended 31st March, 2021. There is no audit qualification, reservation or adverse remark for the year under review.

The Company appointed CNK& Associates LLP, Chartered Accountants, Mumbai as Statutory Auditor of the Company for a term of 5 years from the conclusion of 36th AGM till the conclusion of 41 AGM to be held in the year 2022. The Statutory Auditors have submitted the necessary eligibility certificate in terms of second and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

### **26.2 SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed M/s Amit Gupta & Associates, a firm of Company Secretaries in Practice (C.P.No.4682) to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2021. The Secretarial Audit

Report for the financial year ended 31st March, 2021 is annexed as Annexure 'C' and forms an integral part of this Report.

### 26.3 INTERNAL AUDITORS

The Board of Directors of the Company in its meeting held on 31st October, 2020 has appointed M/s. Mahajan & Aibra, Chartered Accountants, Mumbai of the Company as Internal Auditor of the Company for conducting the Internal Audit for the financial year ended 31st March, 2021.

### 26.4 COST AUDITORS

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is not required to maintain cost records.

### 27. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

### 28. ENERGY CONSERVATION,

### TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 'D' and forms an integral part of this Report.

### 29. EXTRACT OF ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at [www. https:// www.yashpakka.com/investors](http://www.yashpakka.com/investors)

### 30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this Report.

### 31. PARTICULARS OF EMPLOYEES DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

- i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(Amount ₹ In Lakhs)

Name of Directors / KMP	Remuneration of the Director / KMP in F.Y.2020-21 (Rs. in Lakhs)	Remuneration of the Director / KMP in F.Y.2019-20 (Rs. in Lakhs)	% increase in F.Y.2020-21 (Rs. in Lakhs)	Ratio (times) of the remuneration of each director to the median remuneration of the employees	Comparison of the remuneration of the KMP against the performance of the company
Mr. Ved Krishna, Vice-Chairman	1,19,23,499	1,19,17,266	0%	3820	
Mr. Jagdeep Hira, Managing Director (KMP)	1,14,09,890	1,10,78,379	3%	3655	

(Amount ₹ In Lakhs)

Name of Directors / KMP	Remuneration of the Director / KMP in F.Y.2020-21 (Rs. in Lakhs)	Remuneration of the Director / KMP in F.Y.2019-20 (Rs. in Lakhs)	% increase in F.Y.2020-21 (Rs. in Lakhs)	Ratio (times) of the remuneration of each director to the median remuneration of the employees	Comparison of the remuneration of the KMP against the performance of the company
Mr. Narendra Kumar Agrawal, Director Works	37,08,725	37,58,238	-1%	1188	The turnover of the Company decreased by 37.42% and Net Profit for the financial year ended March 31, 2020 decreased by 65.17% in comparison to last financial year.
Mr. Sachin Kumar Srivastava, Company Secretary & Head Legal (KMP)	7,22,577	15,91,157	--	231	
Ms. Bhavna Patel, Company Secretary & Compliance Officer (KMP)	7,82,227	---	--	251	
Mr. Jignesh Shah, Chief Financial Officer (KMP)	44,80,171	---	--	1435	
Mr. Manoj Kumar Maurya, Chief Financial Officer (KMP)	3,66,490	2,443,244	--	117	

1. Mr. Manoj Kumar Maurya, Chief Financial Officer (KMP) of the Company has resigned from the post of CFO with effect from 9th June, 2020.
  2. Mr. Jignesh Shah has been appointed as Chief Financial Officer (KMP) of the Company with effect from 20th June, 2020.
  3. Mr. Sachin Kumar Srivastava, Company Secretary & Head Legal (KMP) of the Company has resigned from the post of Company Secretary with effect from 31st October, 2020.
  4. Ms. Bhavna Patel has been appointed as Company Secretary (KMP) of the Company with effect from 31st October, 2020.
- ii. The median remuneration of employees of the Company during the financial year was Rs.3,12,173/-.
  - iii. In the financial year, there was an decrease of -10% in the median remuneration of employees.
  - iv. There were 456 permanent employees on the rolls of the Company during the financial year 2020-21.
  - v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 5.00 % whereas the decrease in the managerial remuneration for the same financial year was -22.53%.
  - vi. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Schedule V of the Companies Act, 2013, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees; and
  - vii. It is hereby affirmed that the remuneration

paid is as per the as per the Schedule V of the Companies Act, 2013, Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

viii. Except Mr. Ved Krishna, Vice Chairman and Mr. Jagdeep Hira, Managing Director of the Company, no other employee was

employed throughout the financial year at an aggregate salary of not less than Rs.1,02,00,000/- per annum.

ix. No Employee was employed for a part of the financial year at an aggregate salary of not less than Rs.8,50,000/- per month.

x. Details of Top Ten employees of the

company as required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide Notification dated 30th June, 2016 by Ministry of Corporate Affairs for the year ended 31st March,

(Amount ₹ In Lakhs)

Sl. No.	Name & Age	Qualification	Designation	Date of Joining	No. and % of equity shares held	Remuneration	Previous employment
1	Mr. Ved Krishna (46 years)	B. A. (Hons.)	Vice Chairman	30/05/1999	1,10,09,950	(31.24%)	1,19,23,499
2	Mr. Jagdeep Hira (49 Years)	Bachelor of Engineering Technology	Managing Director	10/10/2016	Nil	1,14,09,890	Trident Group Limited
3	Mr. Jignesh Vinodchandra Shah (50 Years)	Chartered Accountant	Finance Head	01/06/2020	-	44,80,171	Gerresheimer
4	Mr. Narendra Kumar Agrawal (50 Years)	Bachelor of Engineering	Director Works	15/12/2011	500 (0.00%)	37,08,725	Century Paper and Pulp
5	Mr. Manoj Kumar Maurya (47 Years)	M.Com	Commercial Head	01/09/1998	Nil	24,87,550	-
6	Mr. Neeraj Kamra (48 Years)	PGDM in Pulp & Paper	Production Head	25/02/2019		22,61,879	Shree Rishabh Paper
7	Ms. Navina John (42 Years)	Master in Human Resource Management	HR & Admin Head	17/05/2018	Nil	22,23,734	Muthoot Finance Ltd.
8	Mr. Sushant Arun Sinha (45 years)	B. Tech, P.G. Diploma in Production & Materials Management	Mechanical Head	20/03/2017	Nil	21,80,983	Trident Group Limited
9	Mr. B Srihari (55 Years)	M. Sc. In Strategy & Leadership	HR Head	05/05/2020	-	19,66,113	Ramco Cement Ltd.
10	Sumant Pai (41 Years)	PG Diploma in Film & Television	Moulded Production Head	01-09-2019	-	19,05,189	Rising Star Entertainment

\*Mr. B. Srihari resigned from the Company w.e.f. 3rd March, 2021.

xi. No employee of the Company receiving remuneration part of the financial year in excess of the amount drawn by the Managing Director. No one was employed throughout the financial year or part thereof receiving remuneration in excess of the amount drawn by the Managing Director.

### 32. COMPANIES WHICH CEASED TO BE HOLDING, SUBSIDIARY OR ASSOCIATE COMPANY

As on the last day of financial year under review, the Company had recently incorporated subsidiary --Yash Pakka Inc, the Overseas wholly owned subsidiary. Apart from Yash Pakka Inc, there is no holding or associate Company of the Company.

### 33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to Financial Statements forming a part of this annual report.

### 34. INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company was not required to transfer any amount and shares to Investor Education and Protection Fund ("IEPF").

### 35. GREEN INITIATIVES

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 41st Annual General Meeting together with Annual Report of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

### 36. CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factor.

### 37. GENERAL

Your Directors state that no disclosure or

reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- ▶ The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year alongwith their status as at the end of the financial year, as no such proceedings initiated or pending.
- ▶ The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, as there was no instance of onetime settlement with any Bank or Financial Institution.

### 38. ACKNOWLEDGEMENTS

Your Directors acknowledge the unstinted support and cooperation received from the Central Government, State Governments, Stakeholders, participating Financial Institutions and Banks, Customers, Dealers and Suppliers.

The Board wishes to record its highest appreciation of the total commitment, dedication and hard work, put in by every employee and member of the Team Yash Pakka.

For and on Behalf of the Board

**Pradeep Vasant Dhobale**  
*Chairman*  
 DIN: 00274636

Camp: Hyderabad  
 Date: 3rd September, 2021

*Annexure A of Directors' Report*
**FORM AOC -2**
**(Pursuant to clause (h) of sub section (3) of the section 134 of the Act and Rules 8(2) of the Companies (Account) Rules, 2014)**

Form for Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso is given below:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sl. No.	Particulars	Details
a)	Name (s) of the related party	Nil
b)	Nature of relationship	Nil
c)	Nature of contracts/arrangements/transaction	Nil
d)	Duration of the contracts/arrangements /transaction	Nil
e)	Salient terms of the contracts or arrangements or transaction	Nil
f)	Value of the contracts or arrangements or transaction	Nil
g)	Date of approval by the Board	Nil
h)	Amount paid as advances, if any	Nil
i)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

**2. Details of contracts or arrangements or transactions at arm's length basis:**

i.

Sl. No.	Particulars	Details
a)	Name (s) of the related party	Yash Compostables Limited
b)	Nature of relationship	Group Company
c)	Nature of contracts/arrangements/transaction	Sale Agreement
d)	Duration of the contracts/arrangements /transaction	5 Years
e)	Salient terms of the contracts or arrangements or transaction	Modifying the existing terms of Agreement effective from 1st April, 2020
f)	Value of the contracts or arrangements or transaction	100 crores
g)	Date of approval by the Board	20th June, 2020

Sl. No.	Particulars	Details
h)	Amount paid / received as advances, if any	N.A.
i)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2.

Sl. No.	Particulars	Details
a)	Name (s) of the related party	Yash Agro Products Limited
b)	Nature of relationship	Group Company
c)	Nature of contracts/arrangements/transaction	Sale Agreement
d)	Duration of the contracts/arrangements /transaction	5 Years
e)	Salient terms of the contracts or arrangements or transaction	Modifying the existing terms of Agreement effective from 1st April, 2020
f)	Value of the contracts or arrangements or transaction	100 crores
g)	Date of approval by the Board	20th June, 2020
h)	Amount paid / received as advances, if any	N.A.
i)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

for and on Behalf of the Board

Camp: Hyderabad  
Date: 3rd September, 2021

**Pradeep Vasant Dhobale**  
*Chairman*  
DIN: 00274636

*Annexure B of Directors' Report*

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

**1. Brief outline on CSR Policy of the Company**

CSR initiatives of the Company aim towards inclusive development of communities through a range of social interventions, enhancing skills and building social infrastructure to improve their livelihood. Our CSR approach focus on development of communities around vicinity of our plants and other areas. Corporate Social

Responsibility (CSR) is linked to sustainability. Such decisions are mainly based on the social and environmental consequences. It is the Company's intent to make a positive difference to society. The Company supports various bodies in carrying out activities in the areas of Incubators and Education etc.

The projects undertaken are within the broad

framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

[https://www.yashpakka.com/pdf/policy/YPL\\_CSR\\_Policy.pdf](https://www.yashpakka.com/pdf/policy/YPL_CSR_Policy.pdf)

**2. Composition of the CSR Committee**

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Kimberly Ann McArthur	Chairman	4	1
2	Mr. Ved Krishna	Member	4	4
3	Mrs. Manjula Jhunjhunwala	Member	4	4
4	Dr. Indroneel Banerjee	Member	4	4

**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**

Composition of the CSR committee shared above and is available on the Company's website on <https://www.yashpakka.com/pdf/CompositionCommitteesOfBoard.pdf>

<https://www.yashpakka.com/investors>

**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).**

YPL is conducting Baseline survey with impact

assessment on CSR programs through an external agency.

**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 from preceding financial years (₹ In lakhs)	Amount required to be set off for the financial year, if any (₹ In lakhs)
--		Nil	Nil

6. Average net profit of the Company as per Section 135(5): 2,883.16 Lakhs
7. (a) Two percent of average net profit of the Company as per section 135(5): 57.66 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (c) Amount required to be set off for the financial year, if any: NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c): 57.66 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

(Amount ₹ In Lakhs)

Total Amount Spent for the Financial Year (In Lakhs.)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs.70,00,000/-	NIL	--	--	NIL	--

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the Current Financial Year (in Rs.)	Amount trans-ferred to Unspent CSR Account for the project as per section 135(6) (in Rs.)	Mode of Implementation-Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number
1	Nil											

**C. Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local Area (Yes/ No)	(5) Location of the Project		(6) Amount spent in the Current Financial Year (in Rs.)	(7) Mode of Implementation- Direct (Yes/ No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
1	Education	(ii)	Yes	Uttar Pradesh	Ayodhya	64,37,988	No	KKCF	----
2	Incubation	(ix)	Yes	Ayodhya	Uttar Pradesh	5,62,012	Yes	----	----

d. Amount spent in Administrative Overheads: NIL

e. Amount spent on Impact Assessment, if applicable: NIL

f. Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.70,00,000/-

g. Excess amount for set off, if any: N.A.

Sl. No.	Particulars	Amount
(i)	2% of average net profit of the company as per section 135(5)	Rs.57,66,000/-
(ii)	Total amount spent for the financial year	Rs. 70,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 12,34,000/-
(iv)	Surplus arising out of the CSR projects or programmes or activities	Nil
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	Rs.12,34,000/-

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

Sl. 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.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1	--	NIL	-	-	-	-	-

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

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

**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)**

- Date of creation or acquisition of the capital asset(s). None
- Amount of CSR spent for creation or acquisition of capital asset. Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable
- Provide details of the capital asset(s), created or acquired (including complete address and location of the capital asset). Not Applicable

**11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per section 135(5).**

Jagdeep Hira  
Managing Director

Dr. Indroneel Banerjee  
Vice-Chairperson CSR Committee

**FORM NO. MR.3**

**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 Personnel) Rules, 2014]**

To,  
The Members,  
**Yash Pakka Limited,**  
(CIN -L24231UP1981PLC005294)  
2nd Floor, 24/57 Birhana Road,  
Kanpur, Uttar Pradesh - 208001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Yash Pakka Limited (CIN - L24231UP1981PLC005294) (hereinafter referred as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion

- i. 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
- ii. The Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by 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 there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not applicable as the Company has not made any public offer of securities during the period under review;
  - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any listed debt securities during the period under review;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review;
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back/proposed to buyback any of its securities during the financial year under review.
- vi. The following other laws on account of the nature of industry are specifically applicable to the Company:
- (a) The Boilers Act, 1923;
  - (b) The Explosives Act, 1884;
  - (c) Acts and Rules prescribed under prevention and control of pollution;

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreement entered into by the Company with BSE Limited,

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

- i. The Company has filed with delay few forms/returns/documents etc. with the Registrar of Companies, Ministry of Corporate Affairs, Kanpur, on payment of additional fee under the provisions of the Companies Act, 2013.

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.,

- ▶ Adequate notice is given to all directors to convene 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 for meaningful participation at the meeting.
- ▶ Majority decisions are carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that the systems and processes in the Company require further strengthening and improvements, considering the size and operations of the Company to enable better monitoring and ensuring of timely compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were following material event having bearing on the affairs of the Company:

- (i) The Board of Directors of the Company in their meeting held on June 20, 2020 approved the scheme of merger of Yash Compostable Limited with the Company and after receiving in-principal approval from the BSE Limited the scheme has been placed for approval with National Company Law Tribunal, Allahabad on 13th February, 2021;
- (ii) The shareholders of the Company in their 40th meeting held on October 31, 2020 approved modification of Yash Team Stock Option Plan 2019 in supersession of earlier special resolution passed by the Shareholders of the Company in 39th Annual General Meeting held on 20th September, 2019, however the same is pending for implementation;
- (iii) The company has incorporated a subsidiary in State of Delaware, United States of America in the name of Yash Pakka Inc. to primarily work at community building of the global compostable products and the Board of Directors of the Company in their meeting held on January 20, 2021 approved investment upto US \$ 1 Million in the said subsidiary;
- (iv) A case under the Environment (Protection) Act, 1986 before the Hon'ble National Green Tribunal, Principal Bench, New Delhi vide O.A. No. 116/2014 titled as Meera Shukla V. Municipal Corporation, Gorakhpur continues pending and recovery certificate of Rs. 40.80 lacs as an Environmental Compensation issued by Uttar Pradesh Pollution Control Board in compliance of order dated 27.09.2019 passed by the Hon'ble National Green Tribunal, Principal Bench, New Delhi in aforesaid case, continues stayed in terms of order dated 14.01.2020 passed by the Hon'ble High Court of Judicature at Allahabad, Lucknow Bench, Lucknow in Case No. MISB 866 of 2020 titled as Yash Pakka Limited Vs. U. P. Pollution Control Board & Others.

For **Amit Gupta & Associates**  
*Company Secretaries*

**Amit Gupta**  
*Proprietor*

Membership No. : F5478

C.P. No. 4682

UDIN - FO05478C000561297

Date: June 30, 2021

Place: Lucknow

To,  
The Members,  
**Yash Pakka Limited,**  
(CIN -L24231UP1981PLC005294)  
2nd Floor, 24/57 Birhana Road,  
Kanpur, Uttar Pradesh - 208001

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

For **Amit Gupta & Associates**  
*Company Secretaries*

**Amit Gupta**  
*Proprietor*

Membership No. : F5478

C.P. No. 4682

UDIN - F005478C000561297

Date: June 30, 2021

Place: Lucknow

*Annexure D of Directors' Report*

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

**1. CONSERVATION OF ENERGY**

**(A) ENERGY CONSERVATION MEASURES TAKEN**

- I. Installation of VFD on PP-1 cooling water pump.
- II. Installation of VFD on PP-2 cooling water pump.
- III. Installation of VFD on PP-1 BFP.
- IV. Installation of VFD on RO High pressure pump.
- V. BSW-3 new installation of VFD.
- VI. Installation of VFD on TDR feed pump in pulp mill.
- VII. CBD cooler-1 taken in-line for LP steam reduction in pulp mill.
- VIII. Replacement of 2 MP heaters on PM-3.
- IX. Vacuum audit conducted in Moulded products unit.

**(B) ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY**

- X. Vacuum leakages arrested and vacuum pump scale removed.
- XI. Compressed air audit conducted in Moulded products unit.
- XII. FRP blades installed in PP-2 CT-fan.
- XIII. Recovery boiler CT fan angle reduced.
- I. Replacement of inefficient motors with IE-3 rated efficient motors.
- II. Automation of MPS feed pump through VFD by level control loop in pulp mill.
- III. Installation of FRP blade in PP-1 and Moulded products unit CT fan.
- IV. Separate de-super heater pump to be installed in PP-2.
- V. Installation of air filters for compressed air in Moulded products unit.
- VI. Running Table-ware vacuum pumps in auto mode with average value of vacuum.
- VII. Replacement of MP-heaters on wet end

- of Hood area in PM-3 hood area with new ones.
- VIII. Replacement of old inefficient air-preheater in PM-1 with new one.
- IX. Double orifice steam traps to be installed in PM-2 hood area.
- X. CBD cooler 2 to be taken in-line.
- XI. White liquor heater to be taken in-line.
- XII. Replacing 2 inefficient MP heaters in PM-1 hood area with serviced heater.
- XIII. Replacing 4 old inefficient MP heaters in PM-2 hood area with new heaters.
- XIV. Installation of power savers in Air conditioners.

**(C) IMPACT OF THE MEASURES OF THE ABOVE**

- I. Reduction of power from 1228 KW/MT to 1080 KW/MT of Paper.
- II. Reduction of steam from 12.0 MT/MT to 10.50 MT/MT of Paper.
- III. Reduction of power from 5821 KW/MT to 4817 KW/MT of Moulded (Tableware) Products.

**(D) TOTAL ENERGY CONSUMPTION AND**

## ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER PRESCRIBED FORM A OF THE ANNEXURES IN RESPECT OF THE INDUSTRIES SPECIFIED IN THE SCHEDULE THERETO.

### I. POWER AND FUEL CONSUMPTION

Particulars	(₹ In Lakhs)	
	Current Year 31.03.2021	Previous Year 31.03.2020
<b>(a) Electricity</b>		
(i) Purchased Unit (lakhs)	Nil	Nil
Total Amount (Rs. in lakhs)	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
(ii) Own generation		
<b>Through Diesel Generator</b>		
Unit (lakhs)	4.25	2.74
Unit per liter of Diesel Oil	3.27	3.12
Cost / Unit (Rs.)	16.61	18.50
<b>Through Steam Turbine</b>		
Unit (lakhs)	474.29	594.66
Unit per MT of fuel (Paddy husk)	1009*	1318*
Cost / Unit (Rs.)	2.64	2.68

Notes: \*Steam Turbine is extraction cum condensing type hence fuel allocation is on estimated basis.

Particulars	(₹ In Lakhs)	
	Current Year 31.03.2021	Previous Year 31.03.2020
<b>(a) Coal Quantity (MT)</b>	Nil	Nil
<b>(b) Furnace Oil Quantity (Kilo litre)</b>	Nil	Nil
(i) Paddy Husk Quantity (MT)	83821	99,318.00
Total Cost (Rs. in lakhs)	2233.85	3,503.36
Average Rate (Rs.)	2665	3,527.42
(ii) Bagasse / Pith Quantity (MT)	14353	14,264.00
Total Cost (Rs. in lakhs)	138.09	185.17
Average Rate (Rs.)	962.09	1,298.39

**II. CONSUMPTION PER UNIT OF PRODUCTION**
**a. Paper (Including Egg Tray & Pith Pallets)**

(₹ In Lakhs)

Particulars	UOM	Current Year 31.03.2021	Previous Year 31.03.2020
Electricity	Units	1274	1169
Furnace Oil	Litre	Nil	Nil
Coal	MT	Nil	Nil
Paddy Husk	MT	1.35*	1.35*
Bagasse Pith	MT	3.00*	3.00*

\* Bagasse pith is used along with the paddy husk as fuel for producing steam which is used for pulp and paper manufacturing and power generation hence consumptions are estimated

**b. Moulded (Tableware) Products**

(₹ In Lakhs)

Particulars	UOM	Current Year 31.03.2021	Previous Year 31.03.2020
Electricity	Units	5821	6850

**(E) STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCE OF ENERGY.**

Since inception the Company is using Biomass as a fuel for generating the Steam. In year 1995, the Company installed a 2.5 MW and 6 MW cogeneration power plant using biomass (rice husk and pith) as fuel. The Company has also installed a Black liquor (Pollutant generated during pulping of Agro waste raw material) fired Boiler, generating steam and thereby power.

**(F) CAPITAL INVESTMENTS ON ENERGY CONSERVATION EQUIPMENTS.**

Total Capital investment on energy conservation equipment during year 2020-21 is approximate Rs.2169466.2/-

**2. TECHNOLOGY ABSORPTION**

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER PRESCRIBED FORM B of the Annexure.

**(A) Specific areas in which R & D & Innovation is carried out by the Company**

R&D

- Successful production of high Burst factor (33+) paper at PM 3
- Optimization of pulping & papermaking

parameters & successful production of certain grades of Kraft paper without long fiber

- Lab evaluation of Dispersant for filler.
- Lab evaluation of different grades of Oil & Grease resistance chemicals for paper
- Lab evaluation of Bagasse to generate seasonal trends for Strength properties.
- Lab evaluation of different type of Retention Aids & plant trial for optimization.
- Lab evaluation of different type of Wet Strength Additives & Plant trials to improve Wet Strength of paper.

- Lab evaluation & plant scale trial of color removal chemicals at Effluent Treatment plant
- Lab evaluation of different types of Dry Strength Additives
- Lab evaluation & plant scale trial of Bio based Cooking Aids for Food grade application
- Plant trial of drainage aid at PM 1 & PM 2
- Lab evaluation & Plant Trial of CMTKP for strength improvements in paper.

**Innovation**

- \* MFC lab trials from sources like Sappi, Fiber Lean Technologies, Exilva for high burst factor.
- \* CMTKP plant trials for stiffness enhancement in tableware products had promising results.
- \* WSR trials to reduce sogginess in molded containers.

- \* Bagasse based lid developed as a workable solution for food delivery solutions
- \* TCF & ECF trials for alternate bleaching approach
- \* Greener pulping process explored for bagasse

**(B) Benefits derived as a result of the above R & D**

Above efforts have resulted in quality improvements, cost reduction, better realization, waste reduction, recycling and development of plastic compostable alternatives.

**(C) Future plan of action R&D**

- Development of High BF bag paper
- Optimization of Retention aid & drainage programme
- Optimization of color removal formulation

**Innovation**

- \* Exploring agro residues composites in molded tableware products
- \* Development of bio-composite blends pellet from bagasse or similar agro-residues.
- \* Development of stone paper grade for usage as garbage bags
- \* Exploration of high clamping pressure molding machines for deeper depths & sharp draft angles
- \* Developing bagasse based lid with undercut feature for spill-proof
- \* Utilization of waste pith for extraction of sugars
- \* Developing film structure for non-aromatic food products with considerable shelf life
- \* Silica extraction from RHA for applications in pharma& rubber industry

**(D) Expenditure on R & D**

		(₹ In Lakhs)	
Sl. No.	Particulars	Current Year 31.03.2021	Previous Year 31.03.2020
1.	Capital	1.04	0.77
2.	Recurring	14.39	23.19
3.	<b>Total</b>	<b>15.43</b>	<b>23.96</b>
4.	Total R & D Expenditure as a percentage of total Turnover	0.07%	0.09%

**(E) Technology absorption, adaptation and innovation**

- I. Efforts, in brief, made towards technology absorption, adaptation and innovation:-
  - a. Bagasse screw feeding system in conveyor at depither No.1 and no. 3
  - b. Removed the drum dryer and installed flash dryer in pith pelletising unit
  - c. Sedicell in PM1 for water clarification
  - d. Installed Sewage treatment plants
  - e. Tertiary chemical treatment in ETP
  - f. MPS for back water treatment in PM3.
  - g. TDR refiner added in softwood plant for pulp quality improvement.
  - h. Motorised ventilators in PM3 hall for humidity & temperature control
    - i. White liquor pre heating system
- II. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.:-

The Company has continued thrust on exports.

**Total foreign exchange used and earned**

Improvement in existing process and product quality, less quality variations, improved productivity, cost reduction and reduction in use of imported softwood pulp, reduction in fresh water consumption

- a. Results in uniform feeding of bagasse into the long conveyor / pulper, so improves bagasse washing quality.
- b. Reduction in power consumption, besides better quality and uniform drying of pith. Also avoids danger of fire hazards.
- c. Recycling of PM back water by clarifying and using for showers. Reduce fresh water consumption.
- d. STPs treat sewage water and make it suitable for discharge as per norms laid down by PCB.
- e. Tertiary treatment of effluent water has resulted in reduction of colour.
- f. Uniform feeding of bagasse into depither improves depithing quality.
- g. Recycling of the PM back water to

clarify and reuse for showers, resulting in fresh water conservation.

- h. New refiner added to improve the pulp quality in the unbleached street.
- i. In PM3 hall, humidity and temperatures are high. Motorised ventilators are used to evacuate the vapours and reduce temperature and humidity.
- j. White liquor heating system installed helps to heat up the white liquor using LP steam, thereby this would help to reduce the MP steam in the digester.

- III. Imported Technology (Imported during the last five years reckoned from the beginning of the financial year)

Not Applicable

**3. FOREIGN EXCHANGE EARNING AND OUTGO**

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

(₹ In Lakhs)

Sl. No.	Particulars	Current Year 31.03.2021	Previous Year 31.03.2020
1.	Used		19,56,97,969
2.	Earned		42,14,71,262

For and on Behalf of the Board

Place: Ayodhya  
Date: 3rd September, 2021

**Pradeep Vasant Dhobale**  
*Chairman*  
DIN: 00274636

# CORPORATE GOVERNANCE

## Corporate Governance Compliance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Yash Pakka Limited (YPL or the Company). At YPL, Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders of the Company. The Corporate Governance Compliance Report for the year ended 31st March, 2021 hereunder:

### 1. Company's Philosophy on Code of Governance

Your Company philosophy on Corporate Governance is to achieve high levels of integrity, equity and transparency in all its operations. The company believes that good Corporate Governance is essential for achieving long term goals and enhancing stakeholders' value. The Company's business objective is to manufacture and market products which create value that can be sustained over time for the benefit of customers, shareholders, employees, bankers and Government.

Corporate governance is not merely compliance or simply creating checks and balances but it is an ongoing measure of superior delivery of company's objects with a view to translate opportunities into reality.

This, together with sustainable development policies followed by the company, has enabled your company to earn trust and goodwill of its investors, business partners, employees and the communities in which it operates. We are in compliance of all mandatory requirements of corporate governance laid down under new listing Regulations.

### The highlight of the Corporate Governance system includes:

- i. The Board of Directors consists of 10 Directors and is well represented with Executive, Non-Executive and Independent Directors with the Independent Chairman and Managing Director. The Independent Directors form nearly 40.00% of the Board of Directors.
- ii. The Board has constituted several Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility (CSR) Committee for more focused attention. The Board is empowered to constitute additional functional Committee from time to time, depending on the business needs.
- iii. The Company has established a Code of Conduct and Corporate Disclosure Policy for prevention of Insider Trading for Directors and Employee of the Company.
- iv. Whistle Blower Policy wherein the Directors and Employees may have the direct

access to the Chairman of Stakeholder Relationship Committee and Chairman of Audit Committee.

- v. Risk Management framework to identify the risk for its business and to assess the probability of its occurrence. Its mitigation plans and information placed before the Audit Committee periodically.

### 2. Board of Directors:

The Company is managed and guided by the Board of Directors ("Board"). The Board formulates the strategy, regularly reviews the performance of the Company, and determines the purpose and values of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman, Vice-Chairman and Managing Director with the support of the senior executives are overseeing the functional matters of the Company. The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

During the year, information as mentioned in the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.

In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, new investments, compliance with statutory / regulatory requirements and major accounting provisions are considered by the Board.

Minutes of the Board Meeting / Committees Meetings are circulated to Directors and Members of the Committees and confirmed at subsequent meetings.

**(A) Composition of the Board:**

The present Board consists of Ten Directors, out of which Two are Executive Directors and Eight are Non-Executive Directors and out of those Eight Non-executive Directors Four Directors are Independent. The Non-Executive Directors with their diverse knowledge, experience and expertise brings in their independent judgment to the deliberations and decisions of the Board. The Independent Directors did not have any material pecuniary relationship or transactions with the Company during the year 2020-21.

The Company has an Independent Chairman. The Company is having Four Independent Directors which is about 40.00% of the total

number of Directors. The Company meets the requirement relating to the Composition of Board of Directors in terms of Regulation 17(1) of Listing Regulations and other applicable requirements.

**(B) Independent Directors:**

The Independent Directors of the Company fulfill the criteria of Independence as per definition of Independence of Directors as provided under Section 149(6) read with Schedule IV of the Companies Act, 2013 ("the Act") and Regulation 16(1)(b) of Listing Regulations. All the independent Directors of the Company make declaration to the Company annually regarding their independence status in terms of Section 149(7) of the Act and Regulation 25(8) of Listing Regulations and all such declarations were placed before the Board.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors pursuant to the Securities and Exchange Board

of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**(C) Non-Executive Directors' compensation and disclosures:**

The Non-Executive Directors are paid sitting fees within the limits prescribed under the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review.

**(D) Other provisions as to Board and Committee:**

During the year 2020-21, 6 meeting of the Board of Directors were held 19th May, 2020, 20th June, 2020, 12th September, 2020, 31st October, 2020, 20th January, 2021 and 10th February, 2021. The maximum time gap between any two consecutive meetings was not exceeding 120 days.

Details of attendance of Directors at Board meeting and at the last Annual General Meeting held on 31st October, 2020, with particulars of their other Directorships and Chairman/ Membership of Board Committees of other Companies showing the position as on 31st March, 2021 are given below:

Name of Director and Designation DIN	Category	Attendance at Board Meetings	Attendance at Last AGM	No. of outside Directorship in Public Limited		No. of Committees and Positions held in other companies		
				Director	Chairperson	Member	Chairperson	
Mr. Pradeep Vasant Dhobale DIN: 00274636	Chairman	Non-Executive, Independent	5	Yes	1	Nil	2	Nil
Mr. Ved Krishna DIN: 00182260	Vice Chairman	Promoter, Non-Executive, Non-Independent	6	Yes	2	2	Nil	Nil

Name of Director and DIN	Designation	Category	Attendance at Board Meetings	Attendance at Last AGM	No. of outside Directorship in Public Limited		No. of Committees and Positions held in other companies	
					Director	Chairperson	Member	Chairperson
Mr. Jagdeep Hira DIN: 07639849	Managing Director	Non-Promoter, Executive, Non-Independent	6	Yes	Nil	Nil	Nil	Nil
Mr. Narendra Kumar Agrawal DIN: 05281887	Director Works	Non-Promoter, Executive, Non-Independent	6	Yes	Nil	Nil	Nil	Nil
Mrs. Manjula Jhunjunwala DIN: 00192901	Director	Promoter, Non-Executive, Non-Independent	6	Yes	3	Nil	Nil	Nil
Mrs. Kimberly Ann McArthur DIN: 05206436	Director	Promoters' Group, Non-Executive, Non-Independent	3	No	1	Nil	Nil	Nil
Dr. Indroneel Banerjee DIN: 06404397	Director	Non-Promoter, Non-Executive, Independent	5	Yes	Nil	Nil	Nil	Nil
Mr. Atul Kumar Gupta DIN: 01734070	Director	Non-Promoter, Non-Executive, Independent	5	Yes	1	Nil	3	Nil
Mr. Imanul Haque <sup>1</sup> DIN: 00001284	Director	Non-Promoter, Non-Executive, Independent	5	Yes	Nil	Nil	Nil	Nil
Mr. Srinivas Vishnubhatla DIN: 07274232	Director	Non-Executive, Independent	5	Yes	Nil	Nil	Nil	Nil
Mr. Basant Kumar Khaitan DIN: 00117129	Director	Non-Executive, Independent	3	Yes	4	1	8	Nil

1- Mr. Imanul Haque, Director Cessation from his directorship due to death.

Mr. Ved Krishna, Vice Chairman of the Company is son of Mrs. Manjula Jhunjunwala, Director and Husband of Mrs. Kimberly Ann McArthur, Director of the Company and thus is related. Mrs. Kimberly Ann McArthur, Director of the Company is wife of Mr. Ved Krishna Vice, Chairman and Daughter-in-law of Mrs. Manjula

Jhunjunwala, Director of the Company and thus is related. No other Director of the Company is related to any other Director of the Company.

Particulars of the Non-Executive Directors who are retiring by rotation and eligible

for re-appointment have been given in the attachment to the Notice and their profile is also appearing elsewhere in the Report.

### (E) Code of Conduct

- I. The Board of Directors has laid down Code of Conduct for all Board Members

and Senior Management of the Company. The copies of the Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - <https://www.yashpakka.com/pdf/policy/Code%20of%20Conduct%20for%20>

Board%20Members%20and%20Senior%20Management%20Personnel.pdf.

the Company contains a Certificate by the Managing Director in this regard.

II. The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March, 2021. The Annual Report of

**(F) Shareholding of Non-Executive Directors as on 31st March, 2021**

The number of shares held by Non-Executive Directors as on 31st March, 2021 is as below:-

S. No.	Name of Directors	DIN	No. of Shares Held	Percentage of Holding
1.	Dr. Indroneel Banerjee	06404397	780	0.00%
2.	Mrs. Manjula Jhunjunwala	00192901	5,51,066	1.56%

**(G) Familiarization Programme for Independent Directors**

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company: [https://www.yashpakka.com/pdf/policy/YPL\\_Policy\\_on\\_Familiarisation.pdf](https://www.yashpakka.com/pdf/policy/YPL_Policy_on_Familiarisation.pdf)

policy/YPL\_Policy\_on\_Familiarisation.pdf

**(H) A chart or matrix as per para C(2)(h) of Schedule V of SEBI (LODR), 2015**

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background.

The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

Name of the Director	Expertise in specific functional area
Mr. Pradeep Vasant Dhobale	Finance and Business Operations
Mr. Ved Krishna	Business and Corporate Planning and Strategy
Mr. Jagdeep Hira	Paper Industry, Organisational and Business Management
Mr. Narendra Kumar Agrawal	Paper Industry, Technical
Mr. Atul Kumar Gupta	Administration
Dr. Indroneel Banerjee	Medical Sciences
Mrs. Manjula Jhunjunwala	Educationalist, Philanthropy and education
Mrs. Kimberly Ann McArthur	Marketing, Communication, Advertising and Media
Mr. Basant Kumar Khaitan	Corporate Management
Mr. Srinivas Vishnubhatla	Information Technology and Financial Management

**(I) Confirmation as per para C(2)(i) of Schedule V of SEBI (LODR), 2015**

The Board of Directors has been responsible for the business and overall affairs of the listed entity in the relevant financial year and that the reporting structures of the listed entity, formal and informal, are consistent with the above.

**3. Audit Committee**

**(A) Qualified and Independent Audit Committee**

The Company complies with the provisions of Section 177 of the Companies Act, 2013 read with rules made thereunder as well as requirements under the Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements)

Regulations, 2015 pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of the 4 Non-Executive and Independent Directors and 1 Executive Director.
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise.
- (iii) The Chairman of the Audit Committee is an Independent Director.
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 31st October, 2020.
- (v) CNK & Associate LLP, Chartered Accountants, Mumbai has audited

the accounts of the Company for the financial year 2020-21. The requirement for ratification of Statutory Auditor has been omitted vide notification dated 7th May, 2018, hence CNK & Associate LLP, Chartered Accountants, Mumbai will continue as Statutory Auditor of the Company till the conclusion of the 42nd Annual General Meeting of the Company to be held for the FY 2021-22.

**(B) Composition, names of Members and Chairperson, its meetings and attendance:**

The Chairman of the Audit Committee is Mr. Atul Kumar Gupta. During the year, 4 Audit Committee meetings were held on 19th June, 2020, 10th September, 2020, 30th October, 2020 and 9th February, 2021.

The composition of the Audit Committee and number of meetings attended by the Members are given below:

Name of Directors	Category	Number of Meetings Held during 2020-21	Meeting Attended
Mr. Atul Kumar Gupta, Chairman	Independent Non-Executive	4	3
Mr. Basant Kumar Khaitan, Member	Independent Non-Executive		4
Mr. Srinivas Vishnubhatla, Member	Independent Non-Executive		4
Dr. Indroneel Banerjee*, Member	Independent Non-Executive		0
Mr. Ved Krishna, Member	Non-Executive Vice - Chairman*		4
Mr. Jagdeep Hira, Member	Managing Director		4

\*Dr. Indroneel Banerjee has resigned as a member of the Audit Committee in the Board Meeting held on 31st July, 2021.

\* Change in designation of Mr. Ved Krishna w.e.f. 30th June, 2021

The Committee meetings are attended by invitation by the Chief Financial Officer, Units Head, the representatives of Statutory Auditors and representatives of the Internal Auditors. Ms. Bhavna Patel, Company Secretary & Compliance Officer as the Secretary of the Audit Committee.

The Internal Auditor and Statutory Auditors of the Company discuss their audit findings and update the Audit Committee and submit their views directly to the Committee. Separate meetings are held with the Internal Auditors to focus on competence issues and to conduct detailed reviews of the processes and internal controls in the Company.

### **(C) Function and terms of reference**

The functions and terms of reference of the Audit Committee meet the requirements of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The broad terms of reference of the Committee include:-

- (i) Statutory Auditors: To recommend to the Board for the appointment and/or re-appointment of the Statutory Auditors, fixation of audit fee and to approve payment for any other services rendered by the statutory auditors.
- (ii) Review independence of statutory auditors: Reviewing the information provided by the management relating to the independence of firm, including, among other things, information relating to the non-audit services provided and expected to be

provided by the Statutory Auditors.

- (iii) Review the performance of the Internal and External Auditors: Review with the management the performance of the statutory and internal auditors and adequacy of the internal control systems.
- (iv) Related Party Transaction: Approve or any subsequent modification of transactions of the Company with related parties.
- (v) Inter-corporate loan and investments: Scrutiny of inter-corporate loans and investments.
- (vi) Valuation of undertakings or assets of the Company: The valuation of undertakings or assets of the Company wherever necessary.
- (vii) Internal Financial Controls: Evaluation of Internal Financial Controls and Risk Management System.
- (viii) End use of Funds: Monitoring of end use of funds raised through Public Offer.
- (ix) Review and examination of Financial Statements
  - (a) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (b) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013.
  - (c) Changes, if any, in accounting policies and practices and reasons for the same.

- (d) Major accounting entries involving estimates based on the exercise of judgment by management.
- (e) Significant adjustments made in the financial statements arising out of audit findings.
- (f) Compliance with listing and other legal requirements relating to financial statements.
- (g) Disclosure of any related party transactions.
- (h) Qualifications, if any in the draft audit report.
- (i) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

### **(D) Review of other Information**

The Audit Committee reviews the following information:

- (i) Management discussion and analysis of financial condition and results of operation.
- (ii) Statement of significant related party transaction submitted by the management.
- (iii) To look into the reasons for substantial defaults in the payment to the creditors.
- (iv) To review the functioning of the Whistle Blower mechanism.
- (v) Seek legal or professional advice, if any.

### **4. Nomination and Remuneration Committee**

The Company complies with the provisions

of Section 178 of the Companies Act, 2013 read with rules made there under as well as requirements under the Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**(A)The terms of reference of the committee are as follows:**

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of Independent Directors and the Board;

- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- (e) Whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- (f) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the Industry norms.

During the year 2020-21, Nomination and Remuneration Committee Meeting were held on 20th June, 2020, 11th September, 2020 and 31st October, 2020. The Composition of Nomination and Remuneration Committee and attendance of each member Director, at the Committee Meetings during the period is as under:

Name of Directors	Position	Nomination and Remuneration Committee Meetings	
		Number of Meetings Held during 2020-21	Attended
Dr. Indroneel Banerjee	Chairman		3
Mr. Srinivas Vishnubhatla	Member	3	3
Mr. Atul Kumar Gupta*	Member		3
Mr. Pradeep Dhobale**	Member		
Mr. Basant Kumar Khaitan***	Member		

\* Mr. Atul Kumar Gupta was resigned as a member of the Nomination and Remuneration Committee from the Board w.e.f. 31st July, 2021.

\*\* Mr. Pradeep Dhobale, Director of the Company was appointed as a member of Nomination and Remuneration Committee from the Board w.e.f. 31st July, 2021.

\*\*\* Mr. Basant Kumar Khaitan, Director of the Company was appointed as a member of Nomination and Remuneration Committee from the Board w.e.f. 31st July, 2021.

Ms. Bhavna Patel, Company Secretary & Compliance Officer of the Company, is Secretary to the Committee.

## (B) Remuneration to Executive and Non-Executive Directors

The details of remuneration paid to all the Executives and Non-Executives Directors during the year ended on 31st March, 2021 are as follows:

Name of Directors	Service Contract/ Notice period	Remuneration Paid (in Rs.)		
		Sitting Fees	Salaries, perquisites and contribution to Provident Fund	Total
Mr. Pradeep Vasant Dhobale PAN-ABVPD5587B	Appointment made for 5 years	1,35,000	-	1,35,000
Mr. Ved Krishna PAN- AJRPK1551C	Appointment made for 3 years	-	1,19,23,499	1,19,23,499
Mr. Jagdeep Hira PAN- AAZPH8476N	Appointment made for 3 years	-	1,54,13,000	1,54,13,000
Mr. Narendra Kumar Agrawal PAN-ABQPA2664M	Appointment made for 3 years (Retire by rotation)	-	37,15,000	37,15,000
Mrs. Manjula Jhunjunwala* PAN-ABSPJ4695H	Retire by rotation	1,20,000	12,00,000	13,20,000
Mrs. Kimberly Ann McArthur PAN-BYEPM4617C	Appointment made for 5 years	1,05,000	56,28,000	57,33,000
Dr. Indroneel Banerjee PAN- AISPBI599B	Appointment made for 5 years	1,50,000	-	1,50,000
Mr. Atul Kumar Gupta PAN- ACNPG5646B	Appointment made for 5 years	1,20,000	-	1,20,000
Mr. Imanul Haque PAN- ABBPB6648F	Appointment made for 5 years	60,000	-	60,000
Mr. Srinivas Vishnubhatla PAN- ABNPV7290H	Appointment made for 5 years	1,35,000	-	1,35,000
Mr. Basant Kumar Khaitan PAN- AFWPK4313D	Appointment made for 5 years	1,35,000	-	1,35,000
<b>Total</b>		<b>9,60,000</b>	<b>3,78,79,499</b>	<b>3,88,39,499</b>

\*Being wife of Late Mr. K. K. Jhunjunwala, Founder of the Company, amount was paid as pension after his death.

**(C) Performance Evaluation criteria for the Board, its Committees and Individual Directors including Independent Directors and Chairman of the Company:**

1. No bonus, stock option and pension were paid to the Directors.
2. No incentives linked with performance are given to the Directors.
3. Besides the above remuneration, all Executive Directors are also entitled to Company's Contribution to Provident Fund, Gratuity and Encashment of Leave as per the Rules of the Company.

**5. Stakeholder Relationship Committee**

In compliance with Section 178(5) of the

Companies Act, 2013 read with Regulation 20 of the Listing Regulations, the Board has constituted the "Stakeholder Relationship Committee". The said Committee would also recommend measures for overall improvement of the quality of Investor Services.

The process of share transfer as well as review of redressal of investors'/shareholders' grievances is undertaken on fortnightly basis by the Registrar and Share Transfer Agents and the Compliance Officer. However, the matters related to issue a fresh Share Certificates would be dealt with by the Stakeholder Relationship Committee.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities twice in months

in accordance Regulation 34(3) and 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the RTA has convened 20concall meetings with the Compliance Officer during the year under review for the purpose.

During the year, 4 meetings of the Stakeholder Relationship Committee were held on 5th May, 2020, 04th August, 2020, 27th October, 2020 and 8th January, 2021.

**(A) Composition of the Committee**

The composition of the Stakeholder Relationship Committee and number of meetings attended by the Members are given below:

Name of Members	Category	Number of Meetings Held during 2020-21	Number of Meetings attended
Dr. Indroneel Banerjee, Chairman	Independent Non-Executive		4
Mrs. Manjula Jhunhunwala, Member	Non-Independent Non-Executive	4	4
Mrs. Kimberly Ann McArthur, Member	Non-Independent Non-Executive		0

Ms. Bhavna Patel, Company Secretary & Compliance Officer is the Compliance Officer during the year under review. She performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. She also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws, rules and regulations,

and directives of such authorities concerning investor service and complaints.

**(B) Functions of the Committee**

The Committee performs following tasks:

- (i) Transfer / Transmission of Shares.
- (ii) Issue of Duplicate Share Certificates.
- (iii) Review of Share dematerialization and rematerialization.

(iv) Monitoring the expeditious Redressal of Investor Grievances.

(v) Monitoring the performance of the Company's Registrar & Transfer Agent.

(vi) All other matters related to Shares.

**(C) Name and Designation of the Compliance Officer**

Ms. Bhavna Patel, Company Secretary & Compliance Officer is the Compliance Officer

and can be contacted at:

Yash Pakka Limited  
Yash Nagar,  
Ayodhya - 224 135  
Uttar Pradesh, India  
Email: secretarial@yashpakka.com

**(D) Number of complaints received and redressed during the year 2020-21**

(₹ In Lakhs)

Opening Balance	Received during the year 2019-20	Resolved during the year	Closing Balance
0	0	0	0

As required under Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been

submitted to the Stock Exchanges within stipulated time.

**(E) Suspense Account for the Unclaimed Shares**

Pursuant to the Securities and Exchange Board of India (Listing Obligation and Disclosure

Requirements), Regulations, 2015, your Company has opened a Demat Suspense Account with Central Depository Services (India) Limited for transferring 11,965 shares which remained unclaimed out of shares issued pursuant to the public issue offer. It is also informed that the voting right on these shares

will remain frozen till the rightful owner of such shares claims the shares.

(₹ In Lakhs)

No. of Shareholders as on 01.04.2020	Opening Balance of Shares in Suspense Account	Requests received during the year 2020-21	Shares transferred during the year	No. of Shareholders as on 31.03.2021	Closing Balance of Shares in Suspense Account
18	11965	Nil	Nil	18	11965

**6. Independent Directors' Meeting**

During the year under review, the Independent Directors met on 19th March, 2021, inter alia to:

- (i) Review the performance of non-independent directors and the Board as a whole;
- (ii) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

- (iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee discussed and thereafter decided upon

the policy for selection of appointment of director and their remuneration. The Policy of Nomination and Remuneration Committee is available on the website of the Company i.e. <https://www.yashpakka.com/pdf/YPL%20Remuneration%20Policy.pdf>. The highlights of this policy are as follows:

**(A) Criteria of selection of Non-Executive Directors**

- (i) The Non-Executive Directors shall be of high integrity with relevant expertise and

experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

- (ii) In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- (iii) The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- (iv) The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - a) Qualification, expertise and experience of the Directors in their respective fields;
  - b) Personal, Professional or business standing;
  - c) Diversity of the Board.
- (v) In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### **(B) Remuneration**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees

for participation in the Board / Committee meetings and commission as detailed hereunder:

- (i) Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- (ii) The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- (iii) The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;
- (iv) The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any introduced by the Company.

### **(C) Managing Director & Whole Time Director - Criteria for selection / appointment**

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director or Whole Time Director

- (i) At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- (iii) The remuneration of the Managing Director or Whole Time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retrieval benefits. The variable component shall comprise performance bonus.
- (iv) In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:
  - a. the relationship of remuneration and performance benchmarks is clear;
  - b. balance between fixed and incentive

pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- c. responsibility required to be shouldered by the Managing Director or Whole Time Director, the industry benchmarks and the current trends.

**(D) REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES**

- (i) In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure/consider the following:
  - (a) the relationship of remuneration and performance benchmark is clear;
  - (b) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - (c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

(d) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

- (ii) The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

**(E) PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation

of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

**7. Corporate Social Responsibility (CSR) Committee**

**(A) CSR Committee**

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of section 135 of the Companies Act, 2013. Its functioning is as under:

- (i) CSR Committee presently consists of the 1 Independent and 3 Non-Executive Director.
- (ii) The Chairperson of the Corporate Social Responsibility is Non-Independent Director (Promoters' Group).

**(B) Composition, names of Members and Chairperson, its meetings and attendance:**

The Chairperson of CSR Committee is Mrs. Kimberly Ann McArthur. During the year, 4 CSR Committee Meetings were held on 18th June, 2020, 12th September, 2020, 30th October, 2020 and 9th February, 2021.

The composition of the CSR Committee and number of meetings attended by the Members

are given below:

Name of Directors	Category	Number of Meetings Held during 2020-21	Meetings attended
Mrs. Kimberly Ann McArthur, Chairperson	Non-Independent Non-Executive	4	1
Dr. Indroneel Banerjee, Vice-Chairperson	Independent Non-Executive		4
Mrs. Manjula Jhunjunwala, Member	Non-Independent Non-Executive		4
Mr. Ved Krishna, Member	Non-Independent Executive		4

Ms. Bhavna Patel, Company Secretary & Compliance Officer acts as the Secretary to the CSR Committee.

### (C) Review of Information

The CSR Committee is empowered, pursuant to its terms of reference, inter alia to:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To execute identified CSR Projects, programs and activities;
- To institute a transparent monitoring mechanism for implementation of the CSR activities undertaken.
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The details of the CSR initiatives of the Company form part of the Social & Community Service initiatives report and Annexure to the Directors' Report. The CSR Policy has been placed on the website of the Company: [https://www.yashpakka.com/pdf/policy/YPL\\_CSR\\_Policy.pdf](https://www.yashpakka.com/pdf/policy/YPL_CSR_Policy.pdf)

### 8. Disclosures

#### (A) Basis of related party transactions

All transactions entered into with Related Parties as defined Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

- The statements containing the transactions with related parties were submitted

periodically to the Audit Committee.

- There are no related party transactions that may have potential conflict with the interest of the Company at large.
- There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as on an arm's length basis.
- There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

#### (B) Disclosure of Accounting Treatment

During the year, new Accounting Standards i.e. IND-As are applicable to the Company.

#### (C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

#### (D) Proceeds from public issues, right

**issues, preferential issues etc.**

The Company has not made any allotment of securities; therefore no proceeds were received by the Company during the year 2020-21.

**(E) Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. <https://www.yashpakka.com/pdf/policy/Whistle%20Blower%20Policy.pdf>

1. To create a window for the employees, who observe an unethical practice either organizationally or individually, to be able to raise it without any fear of victimization or reprisal;
2. To encourage timely, safe and open reporting of alleged wrong doings or suspected impropriety;
3. To ensure consistent and timely institutional response;
4. To ensure appropriate reporting of

whistleblower investigations; and

5. To encourage ethical and lawful conduct.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination. No employee was denied access to the Audit Committee.

**(F) Shareholders**

- (i) The quarterly results made by the Company are put on the Company's website under Financial Results of the Investor Section on the following link - <https://www.yashpakka.com/investors>
- (ii) Mrs. Manjula Jhunjhunwala, Director (Promoters' Group) retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for re-election as Non-Executive Directors.

**(G) Disclosures on materially significant related party transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of

business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. <https://www.yashpakka.com/pdf/policy/Policy%20on%20Materiality%20of%20Related%20Party%20Transaction.pdf>. None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

**(H) Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authorities or any matter related to capital markets.**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

**(I) Disclosure of Commodity Price Risks and commodity hedging activities**

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018.

(J) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A): Not Applicable

(K) A certificate has been obtained from Amit Gupta & Associates, Lucknow, Practicing Company Secretaries, confirming that none of the directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of

Corporate Affairs or any such Statutory Authority.

(L) Details of fees paid to the Statutory Auditor: Details relating to fees paid to the Statutory Auditors are given in Note.31 to the Standalone Financial Statements.

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

i) Number of complaints filed during the financial year: Nil

ii) Number of complaints disposed of during the financial year: Nil

iii) Number of complaints pending as on end of the financial year: Nil

## 9. CEO & CFO Certification

A prescribed certificate as stipulated in

Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 duly signed by the CEO and CFO was placed before the Board along with the financial statements for the year ended 31st March, 2021. The said certificate is provided elsewhere in the Annual Report.

## 10. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchange where the Company's equity shares are listed in the requisite format duly signed by the Managing Director & CEO of the Company. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

## 11. General Body Meetings

### (A) Location and time of General Meetings held in the last 3 years

Year	Date & Day	Location	Time	Special Resolution
2019-20	31/10/2020	Held through video conference/other audio visual means. Deemed venue was Yash Nagar, Ayodhya - 224 135, Uttar Pradesh.	11:00 A.M.	<ol style="list-style-type: none"> <li>1. Approval for re-appointment of Mr. Ved Krishna (DIN: 00182260) as an Executive Vice Chairman of the Company for a term of 3 years.</li> <li>2. To consider and approve for re-appointment of Mr. Jagdeep Hira (DIN: 07639849) as a Managing Director &amp; CEO of the Company for a term of 3 years.</li> <li>3. To consider and approve modification of Yash Team Stock Option Plan 2019.</li> </ol>

Year	Date & Day	Location	Time	Special Resolution
2018-19	22/09/2019	Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Kanpur 208002, Uttar Pradesh	02:00 P.M.	<ol style="list-style-type: none"> <li>1. Change of name of the Company</li> <li>2. Approval of Yash Team Stock Option Plan - 2019</li> <li>3. Approval of Yash Team Welfare Trust</li> <li>4. Approval for provision of money to Yash Team Welfare Trust for acquisition of equity shares</li> <li>5. Approve material Related Party Transaction with Yash Compostables Limited</li> </ol>
2017-18	22/09/2018	Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Kanpur 208002, Uttar Pradesh	01:00 P.M.	<ol style="list-style-type: none"> <li>1. Change in the terms &amp; conditions of appointment of Mr. Ved Krishna (DIN: 00182260) as a Managing Director of the Company w.e.f. 1st August, 2018.</li> <li>2. Change in the terms &amp; conditions of appointment of Mr. Jagdeep Hira (DIN: 07639849) as a Joint Managing Director &amp; CEO of the Company w.e.f. 1st August, 2018.</li> <li>3. Re-appointment of Mr. Narendra Kumar Agrawal (DIN: 05281887) as a Director Works (Whole time Director) of the Company w.e.f. 24th July, 2018.</li> <li>4. Appointment of Mr. Kaikobad Dorab Pudumjee (DIN: 01594401) as an Independent Director for the second term for a period of 5 years w.e.f. 1st April, 2019.</li> <li>5. Appointment of Dr. Indroneel Banerjee (DIN: 06404397) as an Independent Director for the second term for a period of 5 years w.e.f. 1st April, 2019.</li> <li>6. Appointment of Mr. Gyanendra Nath Gupta (DIN: 00027502) as an Independent Director for the second term for a period of 5 years w.e.f. 1st April, 2019.</li> <li>7. Appointment of Mr. Jaideep Narain Mathur (DIN: 06560639) as an Independent Director for the second term for a period of 5 years w.e.f. 1st April, 2019.</li> </ol>

Year	Date & Day	Location	Time	Special Resolution
				8. Appointment of Mr. Atul Kumar Gupta (DIN: 01734070) as an Independent Director for the second term for a period of 5 years w.e.f. 1st April, 2019.

## (B) Postal Ballot

(i) Details of the Special/Ordinary Resolutions passed by the Company through Postal Ballot:

During the financial year 2020-21 ended on 31st March, 2021, no special/ordinary resolutions passed by the Company through Postal Ballot.

(ii) Whether any special resolution is proposed to be conducted through postal ballot:

There is no proposal for any special resolution to be put through postal ballot at the forthcoming Annual General Meeting for shareholders' approval.

## 12. Means of Communication

(a) Quarterly Results: Unaudited / Audited quarterly financial results and the Annual Audited Financial Results of the Company are sent to all the Stock Exchange where its equity shares are listed, and the same are generally published in Business Standard, leading National English and Hindi Newspapers.

(b) Website: Detailed information on the Company's business and products; quarterly/half yearly/ nine months and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website [www.yashpakka.com](http://www.yashpakka.com)

(c) Exclusive email ID for investors: The Company has designated the email id: [secretarial@yashpakka.com](mailto:secretarial@yashpakka.com) of Ms. Bhavna Patel, Company Secretary & Compliance Officer of the Company exclusively for investor servicing and the same is prominently displayed on the Company's website: [www.yashpakka.com](http://www.yashpakka.com)

(d) Annual Report: Annual Report contains inter-alia Audited Annual Accounts, Consolidated Financial Statement, Boards' Report, and Auditors' Report. The Management Perspective, Business Review and Financial Highlights are also part of the annual report.

(e) The Management Discussion & Analysis: The Management Discussion & Analysis Report forms part of the annual report.

(f) Intimation to the Stock Exchanges: The Company intimates stock exchange all price sensitive information or such other information which in its opinion are material & of relevance to the shareholders.

(g) Code of conduct for Directors and Senior Executives: The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of conduct is available on the Company's website <https://www.yashpakka.com/pdf/policy/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf>. All Board Members and Senior Management Personnel affirm compliance with the code of conduct annually. The Managing Director has given a declaration that all the Directors and senior management personnel have affirmed compliance with the Code of Conduct and same is annexed hereto.

## Financial calendar (Tentative) Results for the quarter ending

Financial Reporting for the quarter / three months ending 30th June, 2021	First week of August, 2021
Financial Reporting for the quarter / half year ending 30th September, 2021	First week of November, 2021
Financial Reporting for the quarter / nine months ending 31st December, 2021	First week of February, 2022
Financial Reporting for the annual audited accounts for the financial year ending 31st March, 2022	Fourth week of May, 2022

Annual General Meeting - July/August, 2022

### (h) Presentation made to institutional investors or to the analysts

## 13. General Shareholder Information

### (A) Annual General Meeting

<b>Date &amp; Day</b>	Thursday, 30th September, 2021
<b>Time</b>	10:00 AM
<b>Mode</b>	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
<b>Financial Year</b>	1st April, 2020 to 31st March, 2021

### (B) Book Closure

The book closure period is from Wednesday, 22nd September, 2021 to Thursday, 30th September, 2021 inclusive of both days. The same book closure date is also to determine the entitlement of shareholders to receive dividend for the year ended 31st March, 2021, if approved by the members at the ensuing Annual General Meeting.

### (C) Dividend

Dividend of Rs.1 per equity share of the face

value of Rs.10 each, i.e. 10% on the paid-up equity share capital has been recommended by the Board and will be paid in accordance with Section 123 of the Act and Secretarial Standard-3 on Dividend ("SS-3"), if approved by the members at the ensuing Annual General Meeting.

### (D) Unclaimed Dividend

Pursuant to Section 125 of the Company of the Companies Act, 2013, all unclaimed dividends upto the financial year 2004 have been transferred to the Investor Education

and Protection Fund (IEPF), administered by the Central Government. The Company has declared dividend thereafter for financial year 208-19 in 39th Annual General Meeting of the Company held on 20th September, 2019 which is not yet due for transfer to IEPF.

### (E) Listing on Stock Exchange

The Company's entire equity share capital comprising of 3,52,40,000 equity shares of Rs.10 each is listed at the following Stock Exchange:

Name and Address of the Stock Exchange	Stock Code
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023 Maharashtra	516030

### (F) Listing and Custodian Fees

The Company has paid listing fees for the Financial Year 2020-21 and 2021-22 to the BSE Ltd. The Company has also paid annual custodial fee for the financial year 2020-21 and 2021-22 to the depositories namely NSDL and CDSL.

### (G) Shareholding as on 31st March, 2021

#### (i) Distribution of Equity Shareholding as on 31st March, 2021

	Shareholdings of nominal value of		Shareholders		Share amount	
	Rs.	Rs.	Number	% to Total	In Rs.	% to Total
	(1)		(2)	(3)	(4)	(5)
Upto	-	5,000	11003	77.14	18728130.00	5.31
5,001	-	10,000	1456	10.21	11893280.00	3.37
10,001	-	20,000	776	5.44	12177170.00	3.46
20,001	-	30,000	291	2.04	7568040.00	2.15
30,001	-	40,000	147	1.03	5270780.00	1.50
40,001	-	50,000	134	0.94	6338480.00	1.80
50,001	-	1,00,000	225	1.58	16535170.00	4.69
1,00,001 and above			232	1.63	273888950.00	77.72
<b>Total</b>			<b>14264</b>	<b>100.00</b>	<b>352400000.00</b>	<b>100.00</b>

#### (ii) Shareholding Pattern of Equity Shares as on 31st March, 2021

Sr. No.	Category of shareholder	Number of shareholders	No of fully paid-up equity shares held	Shareholding as a % of total no. of shares
<b>(A) Shareholding of Promoter &amp; Promoter Group</b>				
(1)	Indian	5	15910156	45.15
(2)	Foreign	0	0	0
<b>Total Shareholding of Promoter &amp; Promoter Group</b>		<b>5</b>	<b>15910156</b>	<b>45.15</b>
<b>(B) Public Shareholding</b>				
(1)	Institutions	3	913813	2.59
(2)	Non-institutions	14256	18416031	52.26
<b>Total Public Shareholding</b>		<b>14259</b>	<b>19329844</b>	<b>54.85</b>

Sr. No.	Category of shareholder	Number of shareholders	No of fully paid-up equity shares held	Shareholding as a % of total no. of shares
<b>(C) Non Promoter- Non Public</b>				
(1)	Shares held by Custodian(s) against which Depository Receipts have been issued	0	0	0
<b>Total Non Promoter- Non Public</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (A) + (B) +(C)</b>		<b>14264</b>	<b>35240000</b>	<b>100.00</b>

### (iii) Promoters' Group Shareholding as on 31st March, 2021

S. No.	Name of promoters	No. of shares held	Shareholding as a % of total no. of shares	No. of pledged shares	% of total shareholding of promoter
1.	Mr. Ved Krishna	1,10,39,950	31.33	1,10,39,950	31.33
2.	Yash Agro Products Limited	9,68,640	2.75	9,68,640	2.75
3.	Satori Global Limited	33,34,500	9.46	33,34,500	9.46
4.	Mrs. Manjula Jhunjunwala	5,51,066	1.56	5,51,066	1.56
5.	K. K. Jhunjunwala (H.U.F.) - Ved Krishna (Karta)	16,000	0.05	16,000	0.05
<b>Total</b>		<b>1,59,10,156</b>	<b>45.15</b>	<b>1,59,10,156</b>	<b>45.15</b>

### (iv) Capital of the Company

The Authorized and Paid-up capital of your Company are Rs. 60 crores and Rs. 35.24 crores respectively as on 31st March, 2021.

### (v) Top-Ten shareholders as on 31st March, 2021

Sl. No.	Name of Shareholders	No. of Equity Shares held	% of Total Equity Shares held
1.	Sangeetha S	10,07,308	2.86
2.	Santosh Industries Limited	4,19,681	1.19
3.	Anurag Choudhary	4,16,295	1.18
4.	Kishor Kumar Nadhani	4,03,775	1.15
5.	Shyam Sunder Choudhary	3,47,157	0.99
6.	Vandana Sehgal	3,41,225	0.97

Sl. No.	Name of Shareholders	No. of Equity Shares held	% of Total Equity Shares held
7.	Amit Kumar Choudhary	3,09,000	0.88
8.	Multibagger Securities Research and Advisory Pvt. Ltd.	1,88,635	0.54
9.	Sheela Devi Choudhary	1,69,000	0.48
10.	Rinku Choudhary	1,69,000	0.48
<b>TOTAL</b>		<b>37,71,076</b>	<b>10.72</b>

#### (vi) Stock Price Data/ Stock Performance: Year 2020-21

a. During the year under report, the trading in the Company's equity shares was from 1st April, 2020 to 31st March, 2021. The high and low price during the period on the Bombay Stock Exchange Limited was as under:-

Month	High (Rs.)	Low (Rs.)	High	Low
	BSE		B.S.E. Sensex	
April, 2020	39.50	19.7	33,887.25	27,500.79
May, 2020	38.35	28.55	32,845.48	29,968.45
June, 2020	37.90	29.5	35,706.55	32,348.10
July, 2020	34.40	30.85	38,617.03	34,927.20
August, 2020	46.90	31.00	40,010.17	36,911.23
September, 2020	62.00	37.00	39,359.51	36,495.98
October, 2020	67.70	54.85	41,048.05	38,410.20
November, 2020	70.20	55.00	44,825.37	39,334.92
December, 2020	77.90	59.40	47,896.97	44,118.10
January, 2021	110.40	71.50	50,184.01	46,160.46
February, 2021	92.00	73.15	52,516.76	46,433.65
March, 2021	86.65	73.10	51,821.84	48,236.35

b. Performance in comparison to BSE Sensex: Year 2020-21

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

Particulars	01 April, 2020	31 March, 2021	% CHANGE
Company Share Price (High)	Rs.22.40	Rs. 86.65	286.83%
SENSEX (High)	29,770.88	51,821.84	74.07%

**(H) Dematerialization of shares and liquidity**

The Company's equity shares are compulsorily traded in the electronic form from 26th December, 2000. The Company entered into an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scrip less trading. The system for getting the shares dematerialized is as under:

- Share Certificate(s) along with Demat Request Form (DRF) is to be submitted by the shareholder to the Depository Participants (DP) with whom he/she has opened a Depository Account.
- DP processes the DRF and generates a unique number DRN.
- DP forwards the DRF and share certificates to the Company's Registrar and Share Transfer Agent.
- The Company's Registrar and Share Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on 31st March, 2021, 98.60% of total equity share capital of the Company was held in dematerialized form (including 100% of the promoter holding). The ISIN allotted by NSDL/CDSL is INE551D01018. Confirmation in respect of the requests for dematerialization of shares

is sent to NSDL and CDSL within the stipulated period.

**(I) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**(J) Reconciliation of Share Capital Audit Report**

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, the audit for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital for each of the quarter in the financial year ended on 31st March, 2021 was carried out. The audit reports confirm that the total issued/ paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**(K) Registrar and Share Transfer Agents**

The Members are requested to correspond the Company's Registrars & Share Transfer Agents - Skyline Financial Services Private Limited quoting their Folio Number, Client ID and DP ID at the following address:-

**Skyline Financial Services Pvt. Ltd.**

D-153/A, 1st Floor,  
Okhla Industrial Area, Phase - 1,  
New Delhi - 110 020  
Tel No.: (011) 40450193 - 197  
Email: info@skylinerta.com

**(L) Registered Office****Yash Pakka Limited**

2nd Floor, 24/57, Birhana Road  
Kanpur - 208 001,  
Uttar Pradesh,  
India  
E-mail: connect@yashpakka.com

**(M) Plant Locations**

Yash Pakka Limited  
Yash Nagar,  
Ayodhya - 224 135  
Ph. (05278) 258174  
E-mail: connect@yashpakka.com

**(N) Address for correspondence**

Please contact the Compliance Officer of the Company at the following address regarding any questions or concerns:

Ms. Bhavna Patel  
Company Secretary & Compliance Officer  
Yash Pakka Limited  
Yash Nagar,  
Ayodhya - 224 135  
Ph.: +91 78000 08301  
E-mail: secretarial@yashpakka.com

- Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and

a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April

1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

- List of all credit ratings obtained by the entity alongwith any revisions thereto during the relevant financial year

The Company had given mandate to Brickwork Ratings India Private Limited to rate its long term and short term debts. The Brickwork Ratings India Private Limited had issued Credit Rating Letter on 8th March, 2021 as detailed below:-

Facility	Limits (₹ Crs)	Tenure	Rating
Fund Based	118.77	Long Term	BWR BBB Stable
Proposed Fund Based	187.82	Long Term	
Non Fund Based	23.41	Short Term	BWR A3+
<b>Total</b>	<b>330.00</b>	<b>INR Three Hundred and Thirty Crores Only</b>	

- Commodity Price Risks or Foreign Exchange Risk and hedging activities

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

### (O) Compliance Certificate on Corporate Governance from the Auditor

The certificate dated 30th June, 2021 from Practicing Company Secretaries of the Company, Amit Gupta & Associates, confirming

compliance with the Corporate Governance requirements as stipulated under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed hereto.

The above report has been adopted by the Board of Directors at their meeting held on 3rd September, 2021.

On Behalf of the Board

**Jagdeep Hira**  
*Managing Director*  
 Place: Ayodhya  
 Date: 3rd September, 2021  
 DIN: 07639849

### CODE OF CONDUCT DECLARATION

I, Jagdeep Hira in my capacity as the Managing Director of the Company do hereby confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel of the Company affirmation that they have complied with the Code of Conduct for the financial year 2020-21 as laid down by the Company.

for **Yash Pakka Limited**

Place: Ayodhya  
Date: 3rd September, 2021

**Jagdeep Hira**  
*Managing Director*  
 DIN: 07639849

## **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 15(2) OF SEBI (LODR) REGULATIONS, 2015**

To,  
The Members,  
**YASH PAKKA LIMITED,**  
(CIN -L24231UP1981PLC005294)  
2NDFLOOR, 24/57 Birhana, Road Kanpur,  
Uttar Pradesh- 208001

1. We have examined the compliance of conditions of Corporate Governance by Yash Pakka Limited ("the Company"), for the year ended on March 31, 2021, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period April 01, 2020 to March 31, 2021.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2021.
5. We state that such compliance 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.

For **Amit Gupta & Associates**  
*Company Secretaries*

**Amit Gupta**  
*Proprietor*

Membership No. : F5478

C.P. No. 4682

UDIN -

Date: June 30, 2021  
Place: Lucknow, U.P. India

## CEO / CFO CERTIFICATE

### Under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,  
The Board of Directors  
**Yash Pakka Limited**

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material factor 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.
2. 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.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee that:
  - i. there are no significant changes in internal controls over financial reporting during the year;
  - ii. there are no significant changes in accounting policies during the year; and
  - iii. there are no instances of significant fraud of which we have become aware.

For **Yash Pakka Limited**

**Jagdeep Hira**  
*Managing Director*  
Place: Ayodhya  
Date: 3rd September, 2021

for **Yash Pakka Limited**

**Jignesh Shah**  
*Chief Financial Officer*  
Place: Ayodhya  
Date: 3rd September, 2021

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global economy

The year 2020 was an exceptional and unprecedented one for the world economy, as it grappled with the onset of the Covid-19 pandemic and the resultant challenges to public health, lockdowns and a virtual closure of international borders for an extended period of time. Trade, commerce, businesses and supply chains were majorly disrupted, and governments around the world placed emphasis on healthcare delivery and infrastructure and other ancillary priorities.

With a view to minimise the socio-economic impact of the pandemic triggered by the lockdowns and fill the output gap to the extent possible, large-scale stimulus measures were announced by major economies to support businesses and individuals, save jobs, and provide some succour from the drastic implications of an extended period of economic downturn.

Multilateral bodies such as the International Monetary Fund and the World Bank called for concerted and collaborative efforts to support the vulnerable economies. The impact on businesses has not been fully comprehended on account of the persistent nature of the pandemic and high uncertainty levels. However, there was an irrevocable change in the way of working, viability of some industries (especially high-touch and high-contact ones), nature of some jobs and various aspects of social life. At the same time, it became clear that the digital transition was not an option anymore, and

that e-commerce and connectivity solutions were an imperative in the new post-pandemic economy.

In the second half of the calendar year 2020, as the virus began to lose potency and its severity dropped, restrictions began to be lifted, albeit phase-wise, across the world. Few green shoots became visible across countries and sectors as the world began to embrace the new reality and prepared for resumption of business and trade.

The spirited global race to make a vaccine saw inspiring outcomes, and the approval, commercialisation and mass production of multiple vaccines proved to be a shot in the arm and also an economic stimulus. Resultantly, the International Monetary Fund, in its April 2021 World Economic Outlook (WEO) report, calculates a decline of 3.3% in global GDP for CY2020, as against an earlier estimate of a contraction of 3.5% in January 2021 and a much more severe contraction of 4.4% in October 2020.

However, with the mutation of the virus, insufficient availability of vaccines and rising inflationary pressures, growth outlook could be subdued for 2021. Towards this extent, governments and central banks are anticipated to maintain supportive policies till the pandemic is completely under control.

## Indian economy

The Indian economy, which was firmly on the path of recovery in the second half of FY2020-

21, was hit by a rather unexpectedly virulent second wave of Covid-19. That caused a severe strain on healthcare facilities in many parts of the country, leading to localised lockdowns and containments and a fall in mobility to levels seen a year ago.

As a silver lining, disruptions to production and supply chains have been far less severe during the second wave than during the first wave. Vaccinations are picking up pace, which would support faster normalisation of mobility levels and of related economic activities. Furthermore, continued accommodative monetary policy of the RBI (Reserve Bank of India) and the expected increase in capex from the government are factors that will support the growth recovery process. In addition, global growth prospects provide the country with export opportunities as an additional strong driver of growth.

The longer-term prospects for the Indian economy continue to be robust. Various initiatives, including privatisation of public sector enterprises, monetisation of assets, implementation of the National Infrastructure Pipeline (NIP), targeted investment incentives through the Production-Linked Incentives (PIL) scheme and the new Labour Code, are likely to trigger a virtuous cycle of investments and growth over the medium- to long-term.

Overall, FY2020-21 began on a weak note, as the onset of the pandemic triggered panic and brought most economic activities to an ostensible halt in the first quarter. While

annual estimates of contraction varied, the first quarter saw an unprecedented 23.4% decline in the gross domestic product (GDP). With the second quarter also being one of decline, albeit at a slower pace than that in the first, the economy entered into a technical recession with two successive quarters of contraction. This happened only the second time since Independence and for the first time since economic liberalisation in 1991.

However, following fiscal and monetary measures undertaken by the government and the RBI, India's economic growth returned to positive territory, with pent-up demand playing out and festive demand coming to the fore. Successive quarters of the fiscal year demonstrated India's resilience, and the country's ability to bounce back was evident, and this continues to provide confidence to the industry.

**Road to recovery**

As per the first advance estimates of the National Statistics Office, 96% of pre-pandemic economic activity has been restored. Manufacturing activity has witnessed a sharp growth, the fastest in over a decade. This was led by the recovery in demand and output growth, post the Covid-19 shock. High frequency indicators, which showed an uptick from the third quarter of FY2020-21, indicate

robust recovery in the near-term, as evidenced by the PMI - Manufacturing and IIP - Industrial.

**PMI - Manufacturing**



Source: IHS Markit

**IIP - Industrial**



Source: IHS Markit

Thus, India has bounced back strongly and is in a better position than several other economies. The IMF pegs India's real GDP growth at 12.5% in FY2021-22, as the vaccine rollout picks up pace and economic activities continue to normalise.

Going forward, the economic scenario can be expected to be driven by pent-up positive savings, vaccine deployment, expanding stimulus, low interest rates, accommodative monetary policy and increasing public expenditure. However, oil prices are on the rise and commodity prices are seeing significant highs too and so inflationary pressures may have an impact on economic growth. Moreover, the pandemic scenario remains dynamic too, with the possibility of a third wave and stretched lockdowns and associated disruptions likely to keep the economy on the edge at least in the near-term.

### Global paper and pulp industry

The year 2020 proved to be a highly challenging and difficult one for the paper industry. Due to lockdown restrictions and subsequent shutting down of economies and markets, the structural demand for paper, which was already on the wane on account of the rise of digital media, eroded at a rapid pace. Also, as work-from-home and online education became mainstay during the lockdown months of the pandemic and even subsequently, the demand for printing and writing paper faced a rapid decline.

The global paper products market is anticipated to decline to USD 868.8 bn in 2020 from USD 896.6 bn in 2019. Global paper consumption was 17% lower in 2020 vs. 2019. Due to an

unforeseen decline in demand, consumption contracted and supply and demand proved to be unfavourable for paper producers. The result was a decline in the price of paper. Thus, demand for paper in Europe was 18% weaker in 2020, compared to 2019. This resulted in declining paper prices. In North America, demand declined by a much sharper 22% and in Asia by 13%, as compared to the previous year.

However, wide variation in demand between different paper grades was witnessed during the year. The decline in global demand for uncoated paper was to the extent of about 14%, whereas the demand for standard newsprint and coated mechanical paper declined by as much as 25%.

On the brighter side, the paper products market is expected to recover to USD 1,030.7 bn by 2023, growing at a CAGR of 7% between 2021-23. The factors attributed to this growth include resumption of schooling and educational activities, restoration of office demand for paper and other paper-based products and rise of e-commerce, among other factors.

Also, with growing awareness on sustainability, climate change and the impact of deforestation on the environment, paper manufacturing companies are looking at alternative sources of raw materials to manufacture paper and generate fuel power. Recycling has also been growing as a trend, and so is consumer preference for environment-friendly decomposable end-use products.

On the pulp front, global inventories came close to a balanced level by the end of 2020,

after being elevated since 2018. Due to the pandemic raging in the early parts of the year, and the subsequent lockdowns and work-from-home restrictions, there was a sharp decline in the demand for printing and writing paper, leading to high pulp inventories and low prices. According to Cepi, a European agency representing the paper industry, the member countries' paper and board production decreased by 5% in 2020, compared to the previous year. This declining trend was also observed in countries including China, the US, Japan, Canada and Korea, where the paper production decline ranged between 2-17%.

In a long-term perspective, consultants F&F foresee the global pulp market to generate revenues of about USD 64,930 mn by the end of 2026, growing at a CAGR of around 4.6% between 2020-26.

### Indian paper and pulp industry

Just like the rest of the world, the nationwide lockdown to curb the spread of the Covid-19 pandemic impacted demand for paper and paper products in India too, which is likely to have caused a decline of 10-15% year-on-year in 2020-21, according to Crisil Research. The annual domestic demand for paper stands at about 19 million tonnes, or 4% of the global demand share, making India the fifth largest paper consumer after China (109 million tonnes or 21% of the global share).

With schools and colleges shut due to the pandemic, as also work-from-home necessitating online interactions, the demand for writing and printing witnessed a decline. The use of industrial paper also crumpled due

to weak demand in the fast moving consumer goods (FMCG) channel, consumer durables and apparel segments, which account to nearly 50-60% of the demand.

Yet, according to Business Wire, the Indian paper and paper products market is expected to grow to USD 13.4 bn in 2024, up from USD 8.6 bn in 2018, demonstrating a CAGR of 7.8%.

On top of the challenges of the pandemic, the industry also suffered from shortage of raw materials and limited availability of labour, thus affecting capacity utilisation. Moreover, with India's paper capacity clustered around 6 states, nearly 45% were in the Covid Red zones, while another 45% were in Orange zones, leading further challenges for the sector. On the other side though, the India Brand Equity Foundation (IBEF) has forecast that that with less-stringent restrictions on e-commerce, the Indian packaging industry is riding the e-tailing wave where consumers are increasingly turning online to make purchases. Another major factor is continuing government efforts to curb the usage of plastic and switch to paper instead.

The e-commerce market in India is projected to grow from USD 38.5 bn in 2017 to USD 200 bn in 2026. The re-opening of the markets post lockdown saw marketplaces as well as direct brand websites cashing-in on demand, witnessing a 130% increase in online orders.

Further, the lockdowns and mobility restrictions also accelerated digital adoption and today many consumers have become comfortable in making online purchases.

Thus, according to the Indian Institute of Packaging, the Indian packaging industry will continue to be amongst the top growing segments, with the industry, which was pegged at about USD 50 bn in 2019, is expected to reach a size of over USD 200 bn by 2025, growing at a rate of over 25% every year. When it comes to the usage share, food processing is the largest consumer of packaging at 45%, followed by pharmaceuticals at 25% and personal care products at about 10%.

Under food and beverage packaging, the demand for grocery and dairy products subsequently spurred the demand for trays and vacuum packaging. With rising urbanisation, requirement of better quality packaging of FMCG products through organised retail, and increasing preference for ready-to-eat foods, the segment is expected to witness an exponential growth in the forthcoming years.

### Ban on single-use plastic in India

The government has adopted a 6-pronged approach to curb single-use plastic in India. Nearly 90% plastic packaging is discarded and dumped in landfill and in water bodies. In order

to deal with the problem, the government has set the ambitious target to completely phase-out single-use plastic by 2022. The 6-pronged strategy includes - reduce, reuse, recycle, recover, redesign, re-manufacture to curb the menace of single-use plastic.

According to some estimates, nearly 10 million tonnes of plastic waste is generated in the country every year and most of it is discarded and dumped in the land and water bodies. In order to deal with this problem, the Centre has notified Plastic Waste Management Rules, 2016. Under the new rules, the government has asked generators of plastic waste to take steps to minimise plastic waste and also to ensure segregated storage of waste at the source.

Source: [www.financialexpress.com](http://www.financialexpress.com)

### Foodservice disposables market

The market size of the global foodservice disposables market is estimated to grow at a CAGR of 4.19% between 2019-25, from USD 61.25 bn to USD 78.35 bn in the respective years, according to Arizton Advisory & Intelligence. Within this, the market size revenue of foodservice disposables made from paper was valued at USD 19.80 bn in 2019, and is expected to reach USD 27.54 bn by 2025, registering a CAGR of 5.65% and witnessing the highest growth among other materials.

	2019	2020	2021	2022	2023	2024	2025	CAGR
<b>Plastic</b>	25.17	25.57	26.21	27.17	28.28	29.43	30.61	3.32%
<b>Paper</b>	19.80	21.21	22.45	23.67	24.89	26.19	27.54	5.65%
<b>Aluminium</b>	9.92	10.27	10.63	10.99	11.32	11.76	12.17	3.46%
<b>Others</b>	6.36	6.67	7.01	7.24	7.47	7.68	8.02	3.95%
<b>Total</b>	61.25	63.72	66.31	69.08	71.97	75.07	78.35	4.19%

Source: Arizton

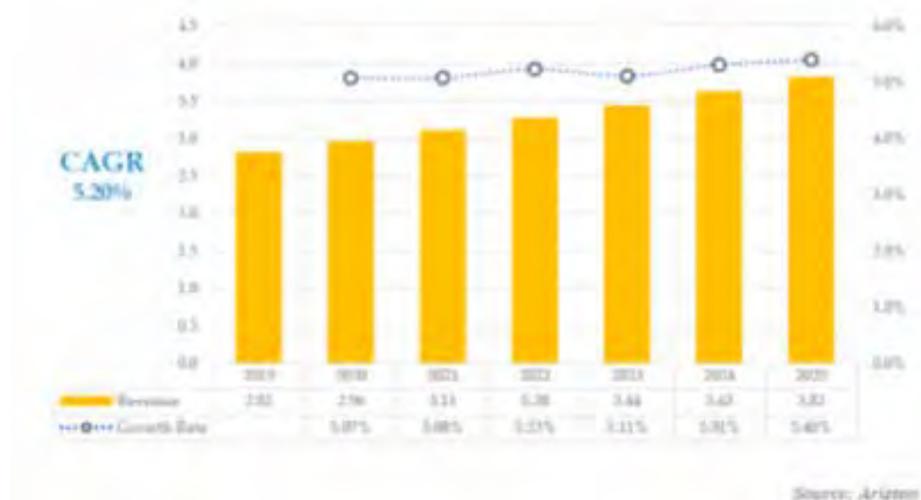
The Asia Pacific (APAC) region dominates the global market for foodservice disposables after North America, accounting for 27.57% share and valued at USD 16.89 bn in 2019. It is expected to reach a size of USD 22.64 bn by 2025, growing at a CAGR of 5.01%, led by China, Japan and India, where the market is witnessing a surge owing to the fast-growing economies and rising food consumption rates.

China and India are considered among the top nations that are driving the global market due to high demand from various end-user segments.

In India, the demographic dividend, including 65% of the population below the age of 35, and a high percentage of working individuals and students, provides a strong growth impetus for the foodservice disposables market. The

market in the country was valued at USD 2.82 bn in 2019, and is expected to reach USD 3.82 bn by 2025, growing at a CAGR of 5.2%. Notably, the demand for products in all pack sizes is high in India. The large population, as well as organised and liberalised retail, has had a positive impact on the market.

**Foodservice disposables market in India 2019-25 (USD bn)**



**Opportunities and enablers**

Lower standardisation: Improper disposal and absence of any significant regulatory oversight has led to increasing consumer activism that has resulted in a gradual shift to the use of biodegradable and environment-friendly products.

Convenience: Among the effects of the

pandemic-induced lockdowns was a need for convenience, with home delivery coming to the fore. Moreover, with life and lifestyle becoming busier and work-from-home gaining prominence, calling over for food has become a repeatable and frequent habit.

Third-party food delivery: Home delivery options have increased and third-party food

delivery aggregators have stepped up their offerings to add to the convenience of online food ordering. It was estimated that by 2020, foodservice providers were expected to capture over 60% share of the food expenses from consumers the world over.

Demand for packaged food: The factors of convenience, delivery and rising disposable

incomes have led to an increasing demand for packaged, processed and ready-to-eat food items.

### Key takeaways

The growth of the Indian paper and foodservices disposable sector is anchored on several positive trends:

- Replacement emerging from the prospective ban on single-use plastic packaging materials
- Demand from customers (paper convertors, etc.) seeking to enhance their green credentials and for ensuring supply chain sustainability
- Demand from end consumers interested in green, clean and environment-friendly disposable products with a backstory
- Demand restoration from the education and office sectors, as schools and offices reopen
- Growth in e-commerce players as they introduce more products to more pin-codes
- Low per capita paper consumption in India (14 kg vs. global average of 57 kg)
- Demand for convenience and time pressures have accelerated in-home food ordering and hence expanded demand for disposable packaging products

### Sustainability and CSR

Sustainability has been at the forefront of the Company since its inception. It has been the Company's constant endeavour to formulate,

adopt and continuously improve and augment its business model, embracing both the sustainability and growth agendas. As part of its sustainability agenda, the Company focuses on conservation of the environment and natural resources and ensures energy efficiency. The Company's operational strategy is built on the long-term commitment to experiment and implement new ideas for improving efficiency and minimising the use of input resources. During the year, the Company continued pursuing its sustainability agenda with the same intensity and rigour. Notable initiatives in this area included concerted efforts on lowering water, energy and chemical consumption, identifying process transformation initiatives to maximise yield and curb waste, and enhance asset efficiency and productivity to optimise input consumption and use.

As part of its triple bottom-line approach to the business factoring the 3 'Ps', the Company has always considered the community and society around its operations as its key stakeholder. It believes that the community around its operations should also grow and prosper, keeping with the times. Accordingly, Corporate Social Responsibility has been ingrained as an integral part of the Company's business philosophy. In order to oversee its CSR initiatives and activities, the Company has constituted a Board-level Corporate Social Responsibility Committee. The major thrust areas of the Company include healthcare, education, women empowerment, infrastructure support, integrated rural development, etc., which are aligned to the areas specified under Schedule VII to the Companies Act, 2013.

### Human resources

Built on the foundations of trust and empowerment, we strive to provide a safe, vibrant and rewarding workplace environment for our employees. Our diverse, experienced and talented employees are our key strength.

A diverse and skilled workforce, an able leadership and right culture are crucial inputs for business success. The skills of our people, their experience, ingenuity and efforts enable us to achieve all-round excellence. Our employees are at the core of our organisational objectives and are the primary enablers of our vision. Thus, we have designed our people policies to create a future-ready workforce, while empowering and enriching their experience at the Company.

In these times of global crisis such as the Covid-19 pandemic, we came together as a family and supported each other, creating connection and community in an inclusive way. Thus, in response to the pandemic outbreak, we acted with urgency to ensure the safety of our employees while continuing to support business continuity. We rapidly transitioned to a remote workforce model, while accelerating employee engagement with consistent flow of communication and information. We also reinforced safe behaviour across our manufacturing location, besides ensuring hygiene of high-contact areas. Furthermore, we also offered emergency support to our employees with hospitalisation treatment and insurance. We also established a regular communication channel with all our employees, under which our senior management interacted with them on a regular basis, providing health

and safety updates and our efforts to manage the crisis. As the number of cases went down and upon government consent, we re-opened our factory and offices with rigorous mandates to follow Covid-safe behaviour, like social distancing, restriction of in-person meetings, etc., besides regular cleaning and sanitisation.

Attracting, enabling and retaining talent have been the cornerstone of our human resource function. Our talent acquisition strategy is to get candidates with the right competencies required by the business, involving a balanced mix of developing and promoting internal talent, lateral hires and trainees. Within the Company, we offer career acceleration and role enlargement opportunities for young talent who have displayed resilience, leadership skills and performance during this tough period. This

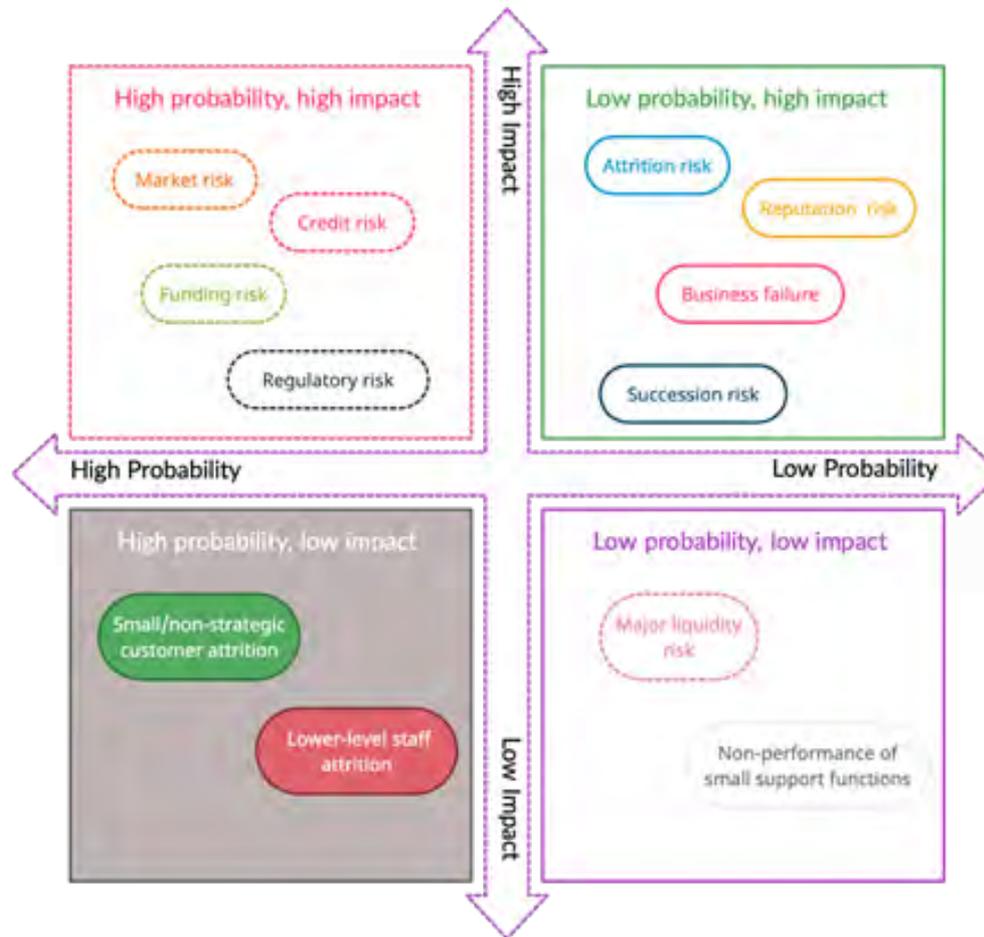
has provided a significant boost to internal talent development. Additionally, we have also leveraged opportunities to inject top talent from the industry for specific focus areas across our business.

At the close of FY2020-21, we had an employee count of 462 members.

### **Risk management**

Your Company's risk management process has been designed to identify and mitigate risks that have the potential to materially impact its business objectives and maintain a balance between managing risk and making most of the opportunities. The Board is responsible for overseeing the overall risk management framework of the Company. The Audit and Risk Management Committee of Board

keeps an vigilant eye on execution of the risk management plan and framework of the Company and advises the management on strengthening mitigating measures, wherever required. The actual identification, assessment and mitigation of risks are however done by key executives of the Company in a systematic and judicious manner through regular meetings and dialogue and engagement/consultation with relevant stakeholders. The risks are prioritised according to significance and likelihood and the Company adopts all possible steps with a view to protect the business from any negative impacts of risks, while also focusing on capitalising on opportunities after thorough risk-benefit analysis. Key risks facing the Company are presented in the heat map below.



**Internal control system and their adequacy**

Your Company has put in place adequate internal control systems that are commensurate with the size of its operations. Internal control

systems comprising policies and procedures are designed to ensure sound management of your Company’s operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information, and compliance.

Clearly defined roles and responsibilities have been institutionalised, and systems and procedures are periodically reviewed to keep pace with the growing size of your Company’s operations.

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE  
UNDER REGULATION 15(2) OF SEBI (LODR) REGULATIONS, 2015**

To,  
The Members,  
**YASH PAKKA LIMITED,**  
(CIN - L24231UP1981PLC005294)  
2ND FLOOR, 24/57 Birhana, Road Kanpur,  
Uttar Pradesh - 208001

1. We have examined the compliance of conditions of Corporate Governance by Yash Pakka Limited ("the Company"), for the year ended on March 31, 2021, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period April 01, 2020 to March 31, 2021.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2021.
5. We state that such compliance 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.

For **Amit Gupta & Associates**  
*Company Secretaries*

**Amit Gupta**  
*Proprietor*

Membership No. : F5478

C.P. No. 4682

UDIN - F005478C000561495

Date: June 30, 2021  
Place: Lucknow, U.P. India

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[As per Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations].

To,  
The Members,  
**Yash Pakka Limited,**  
(CIN -L24231UP1981PLC005294)  
2ND FLOOR, 24/57 Birhana, Road Kanpur,  
Uttar Pradesh - 208001

1. We have examined the status of directors for the year ended on March 31, 2021, pursuant to the provisions of Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") .
2. It is neither an audit nor an expression of opinion regarding the legality of debarring or disqualification by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs (MCA) or any such statutory authority.
3. Our examination was limited to a review of the relevant records of the Company and website of MCA, stock exchange(s) & SEBI and it is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the declarations and disclosures made by the Directors and the representation given by the Management, we certify that none of the directors on the board of Yash Pakka Limited, have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority during the year ended at March 31, 2021.

For **Amit Gupta & Associates**  
*Company Secretaries*

**Amit Gupta**  
*Proprietor*

Membership No. : F5478

C.P. No. 4682

UDIN - F005478C000561541

Date: June 30, 2021  
Place: Lucknow, U.P, India

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
**YASH PAKKA LIMITED**

## Report on the audit of the Financial Statements

### Opinion

We have audited the Financial statements of Yash Pakka Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st

March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Emphasis of Matter

On account of our inability to conduct a physical verification as on 31st March, 2021 owing to the lockdown restrictions imposed by the Government, we have relied on details as provided by the management and related adjustments to confirm the existence and condition of inventory at the year end.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the material Uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Uncertain Tax Positions and Other Litigations:</b>                      The Company has several litigations which also includes matters under dispute. These involve significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities                       (Refer Note 42 to the Financial Statements)</p>	<p><b>Principal Audit Approach</b>                      Our Audit approach included the following:</p> <ul style="list-style-type: none"> <li>● Evaluation and testing of the design of internal controls followed by the Company relating to litigations and open tax positions for indirect taxes process followed to decide provisioning or disclosure as Contingent Liabilities;</li> <li>● Discussion with Company's legal team and taxation team for sufficient understanding of on-going and potential legal matters impacting the Company;</li> <li>● We involved our internal team to evaluate the management's underlying judgements in making their estimates with regard to such matters.</li> </ul>

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including its annexures and Corporate Governance and Shareholders information but does not include the financial statements and our auditor's report thereon. The Directors' report including its annexures and Corporate Governance and Shareholders information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in 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.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those

charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013;
- (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 financial statements – Refer Note 42 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary

shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The Management has represented, that, to the best of it’s knowledge and belief, no funds have been received by the company from any person(s)

or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement;
- d. In respect to dividend declared/ paid during the year, the Company has complied with the provisions of Section 123 of the Companies Act, 2013.

For **C N K & Associates LLP**  
*Chartered Accountants*  
Firm Registration No: 101961W / W - 100036

**Himanshu Kishnadwala**  
*Partner*  
Membership No: 037391  
UDIN: 21037391AAAADT9334

Place: Mumbai  
Date: 30th June, 2021

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 1 under “Report on other Legal and Regulatory requirements” in the Independent Auditor’s Report of even date to the members of YASH PAKKA LIMITED (“the Company”) on the financial statements for the year ended 31st March, 2021)**

- (i) In respect of the Company’s fixed assets:
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) As informed to us, the Company has completed the process of physical verification of Fixed assets, however in view of the lockdown, the management was unable to reconcile the same with the fixed asset register. However, as informed by the management, there will not be any major discrepancies on such reconciliation;
- (c) According to the information and explanations given to us and the record examined by us and based on the examination of the confirmations from the Banks provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date;
- (ii) As per the information and explanations given to us, and read along with our comment in the Emphasis of Matter paragraph in the main report, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such physical verification;
- (iii) During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185. The Company has neither made any investments nor given any loans, guarantees or provided security to the parties covered under section 186;
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified;
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013;
- (vii)(a) The company is regular in depositing undisputed statutory dues including provident fund, income-tax, goods and service tax, custom duty, cess and any other material statutory dues, as applicable, with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2021, for a period of more than six months from the date they become payable;
- (b) According to the information and explanations given to us, the statutory dues not deposited on account of disputes pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Amount demanded (₹ in lakhs)	Amount paid in dispute (₹ in lakhs)	Period to which the amount relates	Forum from where the dispute is pending
UP VAT Act, 2008	Disallowance of ITC	3.92	1.57	2013-14	Additional Commissioner (Appeals), Grade 2 Commercial Tax, Ayodhya
	Entry Tax on Iron	0.68	0.68	2013-14	
	Entry Tax	3.61	2.06	2016-17	
	Form C, H, I not submitted	3.17	1.52	2015-16	
		1.42	0.72	2016-17	
	ITC mismatch	0.25	0.25	2017-18	
		9.43	4.66	2015-16	
	Demand on assessment	12.75	11.04	2016-17	
GST	E-way bill issue	1.03	1.03	2018-19	Appeal filed with Asst Commissioner
		4.32	4.32	2019-20	

(viii) Based on our audit procedures and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks or Government. The Company has not issued any debentures;

(ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not raised any term loans during the year;

(x) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;

(xi) In our opinion and according to information and explanations given to us, the managerial remuneration has been paid in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013;

(xii) The Company is not a Nidhi company and therefore the provisions of clause 3 (xii) of the Order are not applicable to the company;

(xiii) In our opinion and according to information and explanations given to us, the company has complied with the provisions of section 177 and 188 of the Companies Act, 2013 where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore clause 3(xiv) is not applicable to the Company;

(xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the company

has not entered into noncash transactions with Directors or persons connected with them. Accordingly, clause 3(xv) of the order is not applicable to the company;

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **C N K & Associates LLP**  
*Chartered Accountants*  
Firm Registration No: 101961W / W - 100036

**Himanshu Kishnadwala**  
*Partner*  
Membership No: 037391  
UDIN: 21037391AAAADT9334

Place: Mumbai  
Date: 30th June, 2021

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S 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 YASH PAKKA 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 Board of Directors of the Company 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 with reference to financial statements of the company 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely

detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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, to the best of our information and according to the explanations given to us, the Company has except for strengthening of access controls for remote access of data and

process of financial closure at period end, in all material respects, internal financial controls with reference to financial statements of the company 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 **C N K & Associates LLP**  
*Chartered Accountants*  
Firm Registration No: 101961W / W - 100036

**Himanshu Kishnadwala**  
*Partner*  
Membership No: 037391  
UDIN: 21037391AAAADT9334

Place: Mumbai  
Date: 30th June, 2021

# Balance Sheet as at 31st March, 2021

(Amount ₹ In Lakhs)			
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	16,775.48	16,678.28
(b) Capital work-in-progress	3	608.20	462.05
(c) Other intangible assets	4	35.07	38.04
(d) Financial assets			
(i) Investments	5	0.14	0.10
(e) Other non current assets	6	315.42	217.80
<b>Total non current assets</b>		<b>17,734.31</b>	<b>17,396.27</b>
<b>Current Assets</b>			
(a) Inventories	7	5,984.05	<b>5,605.24</b>
(b) Financial assets			
(i) Trade receivables	8	1,541.48	1,773.88
(ii) Cash and cash equivalents	9	19.86	28.67
(iii) Bank balances other than (ii) above	10	316.08	378.80
(iv) Other financial assets	11	158.89	169.28
(c) Current tax assets (net)	12	17.78	-
(d) Other current assets	13	468.45	443.56
<b>Total current assets</b>		<b>8,506.59</b>	<b>8,399.43</b>
<b>TOTAL ASSETS</b>		<b>26,240.90</b>	<b>25,795.70</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity share capital	14	3,524.00	3,524.00
(b) Other equity	15	9,481.32	8,138.99
<b>Total Equity</b>		<b>13,005.32</b>	<b>11,662.99</b>
<b>Liabilities</b>			
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	3,692.46	4,272.16
(ii) Other financial liabilities	17	270.25	270.25

# Balance Sheet

as at 31st March, 2021

(Amount ₹ In Lakhs)			
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
(b) Deferred tax liabilities (net)	18	1,203.86	985.06
(c) Other non current liabilities	19	636.62	1,350.51
<b>Total non current liabilities</b>		<b>5,803.19</b>	<b>6,877.98</b>
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	4,158.35	3,819.54
(ii) Trade payables	20		
(A) Total outstanding dues of Small Enterprises and Micro enterprises		183.42	254.64
(B) Total outstanding dues of creditors other than small enterprises and micro enterprises.		570.16	592.59
(iii) Other financial liabilities	21	1,565.63	1,697.66
(b) Other current liabilities	22	605.54	541.67
(c) Provisions	23	349.29	348.63
<b>Total current liabilities</b>		<b>7,432.39</b>	<b>7,254.73</b>
<b>Total liabilities</b>		<b>13,235.58</b>	<b>14,132.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,240.90</b>	<b>25,795.70</b>

Significant Accounting Policies

1

See accompanying notes from 2 to 46 forming part of the financial statements

As per our attached report of even date

For **C N K & Associates LLP**

*Chartered Accountants*

Firm Registration No.: 101961W/W100036

**Himanshu Kishnadwala**

*Partner*

Membership No.: 37391

Place: Mumbai

Date: 30th June, 2021

For and on behalf of the Board

**Jagdeep Hira**

*Managing Director*

DIN: 07639849

Place: Ayodhya

Date: 30th June, 2021

**N K Agrawal**

*Director Works*

DIN: 05281887

Place: Ayodhya

Date: 30th June, 2021

**Jignesh Shah**

*Chief Financial Officer*

Place: Ayodhya

Date: 30th June, 2021

**Bhavna Patel**

*Company Secretary*

Place: Ayodhya

Date: 30th June, 2021

## Statement of Profit & Loss for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I. Revenue from operations	24	18,365.09	25,238.68
II. Other income	25	1,132.87	871.82
<b>III. Total Income</b>		<b>19,497.96</b>	<b>26,110.50</b>
<b>IV. Expenses</b>			
Cost of materials consumed	26	7,009.69	10,175.01
Purchase of stock-in-trade		3.87	3.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	157.37	-59.47
Employee benefits expenses	28	2,794.32	2,667.06
Finance costs	29	1,094.53	1,261.40
Depreciation and amortization expenses	30	965.93	975.95
Other expenses	31	5,179.13	7,133.46
<b>Total Expenses (IV)</b>		<b>17,204.84</b>	<b>22,156.66</b>
<b>V. Profit before Tax (III - IV)</b>		<b>2,293.12</b>	<b>3,953.84</b>
<b>VI. Tax expense:</b>	32		
1. Current tax		411.50	685.13
2. Deferred tax		209.51	477.53
3. Tax adjustments relating to earlier years		0.00	29.35
<b>VII. Profit for the period (V - VI)</b>		<b>1,672.11</b>	<b>2,761.83</b>

## Statement of Profit & Loss for the year ended 31st March, 2021

(Amount ₹ In Lakhs)			
Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>VIII. Other comprehensive income</b>			-
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		31.91	(62.69)
(ii) Income tax related to items that will not be reclassified to profit or loss		(9.29)	18.26
		<b>22.62</b>	<b>(44.43)</b>
<b>IX. Total comprehensive income for the period (VII - VIII)</b>		<b>1,694.73</b>	<b>2,717.40</b>
<b>X. Earnings per equity share</b>	33		
1. Basic		4.74	7.84
2. Diluted		4.74	7.84

Significant Accounting Policies

1

See accompanying notes from 2 to 46 forming part of the financial statements

As per our attached report of even date

For **C N K & Associates LLP**

*Chartered Accountants*

Firm Registration No.: 101961W/W100036

**Himanshu Kishnadwala**

*Partner*

Membership No.: 37391

Place: Mumbai

Date: 30th June, 2021

For and on behalf of the Board

**Jagdeep Hira**

*Managing Director*

DIN: 07639849

Place: Ayodhya

Date: 30th June, 2021

**N K Agrawal**

*Director Works*

DIN: 05281887

Place: Ayodhya

Date: 30th June, 2021

**Jignesh Shah**

*Chief Financial Officer*

Place: Ayodhya

Date: 30th June, 2021

**Bhavna Patel**

*Company Secretary*

Place: Ayodhya

Date: 30th June, 2021

# Statement of Changes in Equity

for the year ended 31st March, 2021

## A. Equity Share Capital

(Amount ₹ In Lakhs)

Particulars	Amount
Balance as on 1st April, 2019	3,524.00
Additions during the year	-
Balance as on 31st March, 2020	3,524.00
Additions during the year	-
Balance as on 31st March, 2021	3,524.00

## B. Other Equity

(Amount ₹ In Lakhs)

Particulars	Other Equity					Total Equity
	Reserves and Surplus				Other Comprehensive Income	
	Capital Reserve	Securities Premium	General reserve	Retained Earnings	Other items of other comprehensive income	
Balance as on 1st April, 2020	37.32	1,172.16	550.00	6,465.85	(86.34)	8,138.99
Additions during the year	-	-	-	-	22.62	22.62
Profit for the year	-	-	-	1,672.11	-	1,672.11
Dividend Paid for the year ended 31st March, 2020	-	-	-	(352.40)	-	(352.40)
Balance as on 31st March, 2021	37.32	1,172.16	550.00	7,785.56	(63.72)	9,481.32

# Statement of Changes in Equity for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	Other Equity					Total Equity
	Reserves and Surplus				Other Comprehensive Income	
	Capital Reserve	Securities Premium	General reserve	Retained Earnings	Other items of other comprehensive income	
<b>Balance as on 1st April, 2019</b>	<b>37.32</b>	<b>1,172.16</b>	<b>550.00</b>	<b>4,128.86</b>	<b>(41.90)</b>	<b>5,846.44</b>
Additions during the year	-	-	-	-	(44.44)	(44.44)
Profit for the year	-	-	-	2,761.83	-	2,761.83
Dividend Paid for the year ended 31st March, 2019 (Including Dividend Tax)	-	-	-	(424.84)	-	(424.84)
<b>Balance as on 31st March, 2020</b>	<b>37.32</b>	<b>1,172.16</b>	<b>550.00</b>	<b>6,465.85</b>	<b>(86.34)</b>	<b>8,138.99</b>

Refer Note 15 for nature and purpose of reserves  
Significant Accounting Policies Refer note 1

See accompanying notes from 2 to 46 forming part of the financial statements

As per our attached report of even date

For **C N K & Associates LLP**  
*Chartered Accountants*  
Firm Registration No.: 101961W/W100036

**Himanshu Kishnadwala**  
*Partner*  
Membership No.: 37391  
Place: Mumbai  
Date: 30th June, 2021

For and on behalf of the Board

**Jagdeep Hira**  
*Managing Director*  
DIN: 07639849

Place: Ayodhya  
Date: 30th June, 2021

**Jignesh Shah**  
*Chief Financial Officer*

Place: Ayodhya  
Date: 30th June, 2021

**N K Agrawal**  
*Director Works*  
DIN: 05281887

Place: Ayodhya  
Date: 30th June, 2021

**Bhavna Patel**  
*Company Secretary*

Place: Ayodhya  
Date: 30th June, 2021

# Statement of Cash Flow

for the year ended 31st March, 2021

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	<b>2,293.12</b>	<b>3,953.84</b>
<b>Adjustments for :</b>		
Depreciation and amortization	965.93	975.95
Loss/ (profit) on sale of property, plant and equipment	14.37	3.88
Interest income	(136.44)	(137.23)
Finance cost	995.60	1,160.29
Remeasurement of net defined benefit plans	31.91	(62.69)
Net (gain) / loss on foreign exchange fluctuation	-	-
Net (gain)/ loss on investments measured at Fair Value through Profit and Loss	(0.03)	0.02
<b>Operating profit before working capital changes</b>	<b>4,164.46</b>	<b>5,894.06</b>
<b>Changes in working capital:</b>		
<b>Adjustment for (increase)/decrease in operating assets</b>		
(Increase)/ decrease in trade receivables	232.40	(224.07)
(Increase)/ decrease in inventories	(378.81)	1,473.39
(Increase)/ decrease in other financial assets	10.39	(11.57)
(Increase)/ decrease in other assets	(2.40)	160.10
Adjustment for increase/(decrease) in operating liabilities		
Increase/ (decrease) in trade payables	(93.65)	(464.94)
Increase/ (decrease) in other financial liabilities	(132.03)	184.74
Increase/ (decrease) in other liabilities	(586.77)	(1,036.85)
Increase/ (decrease) in provisions	0.66	115.83
<b>Cash generated from operations</b>	<b>3,214.25</b>	<b>6,090.69</b>
<b>Income taxes refunded / (paid), net</b>	<b>(473.65)</b>	<b>(584.16)</b>
<b>Net cash generated from operating activities</b>	<b>2,740.60</b>	<b>5,506.54</b>

## Statement of Cash Flow for the year ended 31st March, 2021

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets (including capital work in progress and capital advance)	(1364.61)	(1,706.83)
Proceeds from sale of property, plant and equipment	4.93	7.83
Interest received	136.44	137.23
Other bank balances (margin money)	62.72	(51.24)
<b>Net cash (used in) / generated from investing activities</b>	<b>(1,160.52)</b>	<b>(1,613.01)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in long-term borrowings	(579.70)	(1,593.27)
Increase/ (decrease) in short-term borrowings	338.81	(699.61)
Issuance of equity shares	-	-
Premium on Security	-	-
Money received against warrant	-	0.00
Finance costs paid	(995.60)	(1,160.29)
Derivatives	-	0.00
Dividend Paid (including dividend tax) for the year ended 31st March, 2020	(352.40)	(424.84)
<b>Net cash used in financing activities</b>	<b>(1,588.89)</b>	<b>(3,878.01)</b>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(8.81)	15.52
Cash and cash equivalents at the beginning of the year	28.67	13.15
Cash and cash equivalents at the end of the year (refer note 4(c))	19.86	28.67

# Statement of Cash Flow for the year ended 31st March, 2021

**Note:**

Reconciliation between cash and cash equivalents and cash and bank balances:

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Cash and cash equivalents as per cash flow statement	19.86	28.67
Add: Margin money deposits not considered as cash and cash equivalents	316.08	378.80
<b>Cash and bank balances</b>	<b>335.94</b>	<b>407.47</b>

**Notes to the statement of cash flows and disclosure of non cash transactions**

In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

**Significant Accounting Policies (Refer Note 1)**

See accompanying notes from 2 to 46 forming part of the financial statements

As per our attached report of even date

For **C N K & Associates LLP**

*Chartered Accountants*

Firm Registration No.: 101961W/W100036

**Himanshu Kishnadwala**

*Partner*

Membership No.: 37391

Place: Mumbai

Date: 30th June, 2021

For and on behalf of the Board

**Jagdeep Hira**

*Managing Director*

DIN: 07639849

Place: Ayodhya

Date: 30th June, 2021

**N K Agrawal**

*Director Works*

DIN: 05281887

Place: Ayodhya

Date: 30th June, 2021

**Jignesh Shah**

*Chief Financial Officer*

Place: Ayodhya

Date: 30th June, 2021

**Bhavna Patel**

*Company Secretary*

Place: Ayodhya

Date: 30th June, 2021

# Notes forming part of the financial statements for the year ended 31st March, 2021

## Corporate Information

Yash Pakka Limited (Formerly known as “Yash Papers Limited”) (“YPL” or “the Company”) was founded in 1981. The Company is listed on BSE Limited. The Company is mainly engaged in the business of manufacture and dealing in Paper and Moulded products. The principal place of business of the Company is in Ayodhya, Uttar Pradesh, India.

### 1. Basis of Preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as “Ind AS”) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act as amended.

The financial statements provide comparative information in respect of the previous period.

The company’s presentation and functional currency is Indian rupees. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in lakhs.

#### Authorization of Financial Statements:

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 30th June, 2021.

## Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans where plan assets measured at fair value.

### 1.1. Use of Judgment and Estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company’s accounting policies arise in relation to property, plant and

equipment, impairment of assets, current asset provisions, deferred tax, retirement benefits and provisions.

Information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Impairment of Financial Assets;
- Impairment of Non-Financial Assets;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions and Contingencies;
- Estimation of current tax expense and tax payable.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

#### Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current/non-current as per the Company’s

# Notes forming part of the financial statements for the year ended 31st March, 2021

normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 1.2. Statement of Significant Accounting Policies

### 1.2.1. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date

the asset is ready for its intended use.

When significant parts of PPE are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and changes if any are accounted in line with revisions to accounting estimates.

#### Depreciation

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

PPE costing less than ₹5,000/- are fully depreciated in the year of capitalization.

Depreciation on additions/deductions to PPE made during the year is provided on a pro-rata basis from / up to the date of such additions / deductions, as the case may be.

#### Capital Work in Progress

Capital work in progress is stated at cost, net of impairment losses, if any. Cost comprises of the cost of items of PPE not yet commissioned,

incidental pre-operative expenses and borrowing costs.

### 1.2.2. Intangible Assets

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

#### Amortization

The above is amortized over a period of 5 years on Straight Line Basis.

### 1.2.3. Impairment of Non-Financial Assets

Non-financial assets other than inventories and deferred tax assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### 1.2.4. Leases

A contract is, or contains, a lease if the contract

# Notes forming part of the financial statements for the year ended 31st March, 2021

conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## As a lessee

### (A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

### (B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

## Subsequent measurement

### (A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

### (B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term

and useful life of the under lying asset.

### Short term lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

### As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

### 1.2.5. Inventories

Cost includes all charges in bringing the inventories to their present location and condition, including octroi and other levies, transit insurance and receiving charges and excluding rebates and discounts, if any. Net realizable value is the estimated selling price in the ordinary course of business.

Inventories other than Scrap are valued at lower of cost and net realized value.

### 1.2.6. Revenue Recognition

In accordance with Ind AS 115, Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

The specific recognition criteria described below are also to be met before revenue is recognized.

Revenue is measured based on the transaction price as specified in the contract with the customer. In determining the transaction price, the Company considers below, if any:

#### (i) Variable consideration

This includes bonus, incentives, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

#### (ii) Contract modifications

These are accounted for when additions,

## Notes forming part of the financial statements for the year ended 31st March, 2021

deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the goods or services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Goods or services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

### Sale of Goods

Customers obtain control of the goods when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 21- 30 days. Sale of goods are net of returns, allowances, trade discounts, cash discounts and volume rebates. Export sales are recognized on the issuance of Bill of Lading/ Airway bill by the carrier.

### Income from Export incentives

Income from export incentives such as duty drawback are recorded on accrual basis in accordance with the terms of the respective schemes. Policy for other export benefits is as stated in Note 1. 2.10 below.

### Dividend income

Dividend income is accounted for when the

right to receive the same is established, which is generally when shareholders approve the dividend.

### Interest income

Interest income is recognized using the effective interest rate (EIR) method.

### Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

## 1.2.7. Employee benefits

### i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, and performance incentives.

### Retirement benefit costs

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company.

### ii) Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

### Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

### Defined-benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected

# Notes forming part of the financial statements for the year ended 31st March, 2021

immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment cost. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

## Other long-term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

## 1.2.8. Expenditure on Research and Development

Expenditure on research of revenue nature is

charged to Statement of Profit and Loss and that of capital nature is capitalized as PPE.

## 1.2.9. Foreign Currency Transactions

### Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

### Non - Monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 1.2.10. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that

the related costs, for which it is intended to compensate, are expensed.

Government grants relating to PPE are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

The export incentives received by the Company such as duty draw back, Merchandise Export from India Scheme (MEIS) and Export Promotions on Capital Goods (EPCG) scheme are treated as government grants.

## 1.2.11. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is 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 the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations

## Notes forming part of the financial statements for the year ended 31st March, 2021

whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognized but disclosed when the inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

### 1.2.12. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants

act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

### 1.2.13. Financial Assets

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

#### Debt instruments at amortized cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on

# Notes forming part of the financial statements for the year ended 31st March, 2021

specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instruments at Fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt

instruments excluding investments in subsidiary and associate companies. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

## Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, YPL decides to classify the same either as at FVTOCI or FVTPL. YPL makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit or loss.

## De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to

receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognized and accumulated in OCI are not reclassified to profit or loss on de-recognition.

## 1.2.14. Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

## Notes forming part of the financial statements for the year ended 31st March, 2021

b) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as a) above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

### 1.2.15. Financial Liabilities

#### Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

#### Financial Liabilities at amortized cost

Financial liabilities classified and measured at amortized cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial

liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### Derivative financial instruments

The Company uses derivative financial instruments to manage the commodity price risk and exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with changes being recognized in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken through profit and loss.

#### Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognized in Profit or loss over the period

## Notes forming part of the financial statements for the year ended 31st March, 2021

of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the

standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counterparty.

### 1.2.16. Borrowing Cost

Borrowing costs directly attributable to the construction or production of a qualifying asset are capitalized during the period of time that is required for 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 occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 1.2.17. Taxes on Income

#### Current and Deferred Tax

Current tax is the amount of tax payable determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the

computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred taxes relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

#### Unused tax credit

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as a deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

### 1.2.18. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including

## Notes forming part of the financial statements for the year ended 31st March, 2021

the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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

the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 1.2.19. Cash and Cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

### 1.2.20. Cash Flows

Cash flows are reported using the indirect

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

### 1.2.21. Segment Reporting

Operating segments are reported in consistent manner with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the Company.

### 1.2.22. Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 2. Property, plant and equipment

(Amount ₹ In Lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
<b>Gross carrying value</b>										
As at 1st April, 2020	278.53	181.25	2,677.81	404.91	15,019.33	35.10	163.82	102.95	876.46	19,740.16
Additions	70.84		73.35		845.43	7.07	2.47	31.63	38.50	1,069.29
Deletions					20.00		0.10	1.09	3.88	25.07
<b>As at 31st March, 2021</b>	<b>349.37</b>	<b>181.25</b>	<b>2,751.16</b>	<b>404.91</b>	<b>15,844.76</b>	<b>42.17</b>	<b>166.19</b>	<b>133.49</b>	<b>911.08</b>	<b>20,784.38</b>
<b>Accumulated Depreciation</b>										
As at 1st April, 2020	-	14.28	401.79	17.80	2,178.26	12.39	35.53	61.15	340.68	3,061.88
Additions		2.19	106.88	7.01	730.10	4.03	20.12	17.10	65.36	952.79
Deletions					1.90		0.07	0.77	3.03	5.77
<b>As at 31st March, 2021</b>	<b>-</b>	<b>16.47</b>	<b>508.67</b>	<b>24.81</b>	<b>2,906.46</b>	<b>16.42</b>	<b>55.58</b>	<b>77.48</b>	<b>403.01</b>	<b>4,008.90</b>
<b>Net Carrying amount</b>										
As at 1st April, 2020	278.53	166.97	2,276.02	387.11	12,841.07	22.71	128.29	41.80	535.78	16,678.28
<b>As at 31st March, 2021</b>	<b>349.37</b>	<b>164.78</b>	<b>2,242.50</b>	<b>380.10</b>	<b>12,938.30</b>	<b>25.75</b>	<b>110.62</b>	<b>56.01</b>	<b>508.07</b>	<b>16,775.48</b>

## 2. Property, plant and equipment

(Amount ₹ In Lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
As at 1st April, 2019	278.53	181.25	2,649.94	404.91	14,229.89	28.45	135.84	83.67	845.43	18,837.91
Additions	-	-	27.87	-	789.82	6.65	45.76	20.72	31.24	922.06
Deletions	-	-	-	-	0.38	-	17.78	1.44	0.21	19.81
Reclassifications	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>278.53</b>	<b>181.25</b>	<b>2677.81</b>	<b>404.91</b>	<b>15019.33</b>	<b>35.1</b>	<b>163.82</b>	<b>102.95</b>	<b>876.46</b>	<b>19,740.16</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	Freehold land	Leasehold land	Factory buildings	Non-Factory buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical installation and fittings	Total
<b>Accumulated Depreciation</b>										
As at 1st April, 2019	-	12.01	234.37	10.79	1,506.13	8.55	24.50	44.04	276.77	2,117.16
Additions	-	2.27	167.42	7.01	672.38	3.84	18.48	17.39	64.03	952.82
Deletions	-	-	-	-	0.25	-	7.45	0.28	0.12	8.10
<b>As at 31st March, 2020</b>	<b>-</b>	<b>14.28</b>	<b>401.79</b>	<b>17.8</b>	<b>2178.26</b>	<b>12.39</b>	<b>35.53</b>	<b>61.15</b>	<b>340.68</b>	<b>3,061.88</b>
<b>Net Carrying amount</b>										
As at 1st April, 2019	278.53	169.24	2,415.57	394.12	12,723.76	19.90	111.34	39.63	568.66	16,720.75
<b>As at 31st March, 2020</b>	<b>278.53</b>	<b>166.97</b>	<b>2,276.02</b>	<b>387.11</b>	<b>12,841.07</b>	<b>22.71</b>	<b>128.29</b>	<b>41.80</b>	<b>535.78</b>	<b>16,678.28</b>

### (i) Leased Assets

The lease term in respect of assets acquired under finance leases expires within 61-74 years.

### (ii) Assets given as security for borrowings

All the items of property, plant and equipment of the Company have been given to lenders as security for various borrowing facilities. (Refer Note 16)

### (iii) Impairment

The Company has assessed recoverable amount of its property, plant and equipment by estimating its value in use. Based on the aforementioned assessment it has been concluded that the recoverable amount is higher than the respective carrying amount.

## 3. Capital work in progress

(Amount ₹ In Lakhs)

Particulars	Amount
<b>Gross carrying value</b>	
As at 1st April, 2020	462.05
Additions	146.15
Transfers	0.00
<b>As at 31st March, 2021</b>	<b>608.20</b>
<b>Net Carrying amount</b>	

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 3. Capital work in progress

(Amount ₹ In Lakhs)	
Particulars	Amount
<b>As at 1st April, 2019</b>	<b>10.76</b>
Additions	462.05
Transfers	(10.76)
Ind AS adjustments	-
<b>As at 31st March, 2020</b>	<b>462.05</b>
<b>Net Carrying amount</b>	<b>462.05</b>

### 4. Other intangible assets

(Amount ₹ In Lakhs)	
Particulars	Amount
<b>Gross carrying value</b>	
<b>As at 1st April, 2020</b>	<b>109.16</b>
Additions	10.18
Deletions	-
<b>As at 31st March, 2021</b>	<b>119.34</b>
<b>Amortisation</b>	
<b>As at 1st April, 2020</b>	<b>71.12</b>
Additions	13.15
Deletions	-
<b>As at 31st March, 2021</b>	<b>84.27</b>
<b>Net Carrying amount</b>	
<b>As at 1st April, 2020</b>	<b>38.04</b>
<b>As at 31st March, 2021</b>	<b>35.07</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 5. Investments

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Investments at fair value through profit and loss</b>		
Investment in equity shares (quoted, fully-paid up)		
500 (P.Y.: 500) equity shares of ₹2/- each of AMJ Land Holdings Limited	0.12	0.08
100 (P.Y.: 100) equity shares of ₹10/- each of Rana Mohendra Papers Limited	0.00	0.00
100 (P.Y.: 100) equity shares of ₹10/- each of Mukerian Papers Limited	0.01	0.01
25 (P.Y.: 25) equity shares of ₹10/- each of Shree Rama Newsprint & Papers Limited	0.02	0.01
<b>Total</b>	<b>0.14</b>	<b>0.10</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>0.14</b>	<b>0.10</b>
<b>Aggregate amount of unquoted investments</b>	-	-
<b>Aggregate amount of impairment in value of investments</b>	-	-

### 6. Other non current assets

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Capital Advance	222.54	102.43
Security Deposits	1.00	-
Deferred Revenue from EPCG licenses	57.24	78.06
Others	34.64	37.31
<b>Total</b>	<b>315.42</b>	<b>217.80</b>

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 7. Inventories

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<i>At lower of cost and net realizable value</i>		
Raw Materials	3,257.28	2,878.22
Work in Progress	75.96	39.40
Finished Goods	817.51	986.11
Traded goods	17.57	7.17
Pulp	1.75	27.08
Store and Spares	1,809.98	1,660.75
Scrap	4.00	6.51
<b>Total</b>	<b>5,984.05</b>	<b>5,605.24</b>

(i) The mode of valuation of inventory has been stated in Note 1.2.5

(ii) Inventories have been pledged as security for borrowings (Refer note 16)

(iii) There has been no write down of inventories recognised as an expense during the year.

## 8. Trade receivables

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Considered good - secured	-	-
Considered good - unsecured*	1,490.83	1,696.55
With significant increase in credit risk	131.96	131.96
Credit impaired	-	-
Less: Loss allowance	(81.31)	(54.63)
<b>Total</b>	<b>1,541.48</b>	<b>1,773.88</b>

\* includes ₹396.08 lakhs (P.Y. ₹463.59 lakhs) receivable from related parties. (Refer note 35).

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 8.1 Following are the details for the trade receivables whose credit risk has been assessed individually

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Assessed credit risk on an individual basis	131.96	131.96
Less: Loss allowance on above	(65.98)	(37.82)
<b>Total</b>	<b>65.98</b>	<b>94.14</b>

### 8.2 The average credit period for collection is 21 - 30 days.

Refer Note 36 (a) & (b) for information about credit risk and market risk of trade receivables.

## 9. Cash and cash equivalents

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Balances with banks in current accounts	12.29	0.55
Cash in hand	7.57	28.12
<b>Total</b>	<b>19.86</b>	<b>28.67</b>

## 10. Bank balances other than cash and cash equivalents

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Unpaid dividend account	17.45	7.07
Margin money deposits (restricted, held as lien against bank guarantees)	298.63	371.73
<b>Total</b>	<b>316.08</b>	<b>378.80</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 11. Other financial assets - current

(Amount ₹ In Lakhs)

Particulars	As at	As at
	31st March, 2021	31st March, 2020
Interest accrued but not due	10.88	5.36
Export incentives receivable	147.70	148.79
MEIS licenses in hand	0.31	15.13
<b>Total</b>	<b>158.89</b>	<b>169.28</b>

### 12. Current tax assets (net)

(Amount ₹ In Lakhs)

Particulars	As at	As at
	31st March, 2021	31st March, 2020
Taxes paid in advance (net of provision)	17.78	-
	<b>17.78</b>	<b>-</b>

### 13. Other current assets

(Amount ₹ In Lakhs)

Particulars	As at	As at
	31st March, 2021	31st March, 2020
Advances to vendors	215.84	139.12
Indirect Taxes recoverable	108.98	157.33
Others	143.63	147.11
<b>Total</b>	<b>468.45</b>	<b>443.56</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 14. Equity share capital

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Authorised equity share capital</b>		
Equity shares		
5,60,00,000 (P.Y. : 5,60,00,000) Equity shares of ₹10/- each	5,600.00	5,600.00
Preference shares		
4,00,000 (P.Y. : 4,00,000) Equity shares of ₹100/- each	400.00	400.00
<b>Total</b>	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
Equity shares		
3,52,40,000 (P.Y. : 3,52,40,000) Equity shares of ₹10/- each	3,524.00	3,524.00

#### (i) Movements in equity share capital

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	3,52,40,000	3,52,40,000
Issued during the year	-	-
<b>Closing Balance</b>	<b>3,52,40,000</b>	<b>3,52,40,000</b>

#### (ii) Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (iii) Details of shareholders holding more than 5% shares in the company:

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Ved Krishna	1,10,09,950	1,10,09,950
% of Share	31.24%	31.24%
Satori Global Limited	33,34,500	33,34,500
% of Share	9.46%	9.46%

### (iv) For the period of 5 years immediately preceding the date as at which the Balance sheet is prepared:

- (a) No shares have been allotted as fully paid up pursuant to the contracts without payments being revised in cash
- (b) No bonus shares have been allotted
- (c) No shares have been bought back

## 15. Other equity

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve	37.32	37.32
Securities Premium	1,172.16	1,172.16
General Reserve	550.00	550.00
Retained Earnings	7,785.56	6,465.85
Other Comprehensive Income	(63.72)	(86.34)
<b>Total</b>	<b>9,481.32</b>	<b>8,138.99</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 15.1 The movement in other equity

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Capital Reserve</b>		
Balance at the beginning of the year	37.32	37.32
Add: transferred during the year	-	-
<b>Balance at the end of the year</b>	<b>37.32</b>	<b>37.32</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	1,172.16	1,172.16
Add: transferred during the year	-	-
<b>Balance at the end of the year</b>	<b>1,172.16</b>	<b>1,172.16</b>
<b>General Reserve</b>		
Balance at the beginning of the year	550.00	550.00
Add: transferred during the year	-	-
<b>Balance at the end of the year</b>	<b>550.00</b>	<b>550.00</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	6,465.85	4,128.86
Add: Profit for the year	1,672.11	2,761.83
Less: Dividend paid	352.40	352.40
Less: Dividend Tax paid	-	72.44
<b>Balance at the end of the year</b>	<b>7,785.56</b>	<b>6,465.85</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	(86.34)	(41.90)
Add: Profit for the year	22.62	(44.44)
<b>Balance at the end of the year</b>	<b>(63.72)</b>	<b>(86.34)</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 15.2 Nature and Purpose of Reserves

**Capital Reserve:** Capital reserve includes the amount retained towards the forfeiture of equity and preferential warrants. This reserve will be utilized in accordance with the provisions of the Act.

**Securities Premium:** Securities premium reserve is on account of premium on issue of shares. This reserve will be utilized in accordance with the provisions of the Act.

**General Reserve:** It has been created out of profits of earlier years.

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Other Comprehensive Income:** This includes actuarial gains/ (losses) on employee benefit obligations.

### 15.3. Proposed Dividend on equity shares not recognised

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Final Dividend for the year ended Re. 1 per share (P.Y. Re. 1)	352.40	352.40
Dividend distribution tax on above	-	-
<b>Total</b>	<b>352.40</b>	<b>352.40</b>

As proposed by the Board of Directors, the same is subject to approval by shareholders at the ensuing annual general meeting of the Company.

## 16. Borrowings

### (A) Long term borrowings

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Secured</b>		
Term loans from banks	3,253.51	3,747.47
<b>Unsecured</b>		
From related parties	438.95	524.69
<b>Total</b>	<b>3,692.46</b>	<b>4,272.16</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (B) Short term borrowings

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Secured		
Working capital loans from banks	4,158.35	3,819.54
<b>Total</b>	<b>4,158.35</b>	<b>3,819.54</b>

#### 16.1. Repayment terms:

- a) Secured rupee term loans from banks: Structured Quarterly Installments.
- b) Loan from Pradeshiya Industrial & Investment Corporation of UP Limited (PICUP): Bullet repayment at the end of tenure of loan
- c) Loan from related parties: Repayable after bank secured term loan is repaid
- d) Scheduled repayments: Contractual repayments in case of loans from banks:

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Within one year	5,701.62	5,487.85
Between one to five years*	3,207.46	3,404.23
Over five years*	152.07	1,290.54

\*The above excludes Ind AS adjustments

e) **Interest rates:** Loans availed from banks carry interest rate ranging from 9.50% to 11.10%.

Refer note 36(b) (II) & (III) on Interest rate risk and Liquidity Risk respectively.

#### f) Security details:-

Term Loans from Banks are secured by

- i. First pari-passu charge by hypothecation of all Immovable Properties and property, plant and equipment both present and future of the company. [including equitable mortgage of land property & building]
- ii. Second pari passu charge on entire current assets (present and future) of the company with 2nd charge over entire property, plant and equipment [present and future] of the company ceded to working capital bankers/ lenders (including Letters of Credit and Letters of Guarantees).

## Notes forming part of the financial statements for the year ended 31st March, 2021

- iii. Personal guarantee of Promoter Directors of the company
- iv. Corporate guarantee of Yash Agro Products Limited and Satori Global Limited.
- v. 100% pledge of promoter's shareholding in the Company in favour of the lenders.

### 17. Other financial liabilities

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Security deposits from customers	270.25	270.25
<b>Total</b>	<b>270.25</b>	<b>270.25</b>

### 18. Deferred tax liabilities (net)

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of PPE	2,344.43	2,254.50
Tax effect of items constituting deferred tax liability	2,344.43	2,254.50
Tax effect of items constituting deferred tax assets		
Provision on employee benefits	101.71	101.52
Carried forward depreciation and business loss	-	0.00
Unused tax credit (MAT)	1,094.06	1,043.57
Interest to bank	63.20	97.49
Others	(118.40)	26.87
Tax effect of items constituting deferred tax assets	1,140.57	1,269.44
<b>Total</b>	<b>1,203.86</b>	<b>985.06</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 19. Other non current liabilities

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Deferred Revenue:		
Capital Subsidy	36.00	40.00
Government loan under PICUP scheme	228.06	277.76
EPCG obligation	372.56	1,032.75
<b>Total</b>	<b>636.62</b>	<b>1,350.51</b>

### 20. Trade Payables

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Trade payables:		
- Dues to micro and small enterprises	183.42	254.64
- Other than micro and small enterprises	570.16	592.59
<b>Total</b>	<b>753.58</b>	<b>847.23</b>

#### 20.1 Disclosure under Section 22 of Micro, Small and Medium enterprises development (MSMED Act, 2006)

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Principal amount due and remaining unpaid	183.42	254.64
Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

The above is based on the intimation received from its vendors regarding the status under Micro, Small and Medium enterprises development (MSMED Act, 2006), except as stated above. The above information is based on the information complied by the Company and relied upon by the auditors.

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 21. Other financial liabilities

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long term borrowings	1,543.27	1,668.31
Interest accrued but not due on borrowings	22.36	29.35
<b>Total</b>	<b>1,565.63</b>	<b>1,697.66</b>

\*Includes Interest payable to related party ₹ 21.85 lakhs (P.Y 4.73 lakh) is paid at 10% p.a. Refer note 35.

## 22. Other current liabilities

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Current maturities on deferred revenue on capital subsidy	4.00	4.00
Advance from customers	157.12	170.26
Statutory liabilities	103.56	26.80
Payable on capital goods	55.60	74.48
Unpaid dividend FY 18-19	7.07	7.07
Unpaid dividend FY 19-20	10.38	-
Taxes paid (Net of taxes paid in advance)	-	44.37
Others	267.81	214.69
<b>Total</b>	<b>605.54</b>	<b>541.67</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 23. Provisions

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Provision for Gratuity	27.57	58.87
Provision for Leave Encashment	76.01	70.31
Provision for Bonus	245.71	219.45
<b>Total</b>	<b>349.29</b>	<b>348.63</b>

### 24. Revenue from operations

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Sale of Products</b>		
Paper, Pulp and related products		
Within India	13,729.17	18,881.67
Outside India	3,014.14	4,432.78
Moulded Products		
Within India*	1,557.84	1,814.93
Outside India	63.94	109.30
<b>Total</b>	<b>18,365.09</b>	<b>25,238.68</b>

\*Refer note 35 for sales to Related parties

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 25. Other income

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest received on fixed deposit and others	136.44	137.23
Export incentives*	825.96	179.36
Balances written back	32.44	446.40
Investments measured at FVTPL	0.03	-
Profit on sale of property, plant and equipment	3.40	1.44
Excess provision for expenses written back	-	5.00
Net Gain on foreign currency translation	14.26	-
Miscellaneous income	120.34	102.39
<b>Total</b>	<b>1,132.87</b>	<b>871.82</b>

\* ₹692.35 lakh (P.Y. ₹, nil) has been received against the fulfillment of export obligation under EPCG scheme.

## 26. Cost of materials consumed

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Raw material consumed	3,664.21	6,301.74
Chemicals consumed	1,827.42	2,212.29
Stores & spares consumed	1,078.85	1,127.14
Packing materials consumed	439.21	533.84
<b>Total</b>	<b>7,009.69</b>	<b>10,175.01</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 27. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Opening Stock</b>		
Finished Goods	986.11	943.69
Pulp	27.08	4.60
Work in Progress	39.40	44.83
<b>Total Opening Stock</b>	<b>1,052.59</b>	<b>993.12</b>
<b>Closing Stock</b>		
Finished Goods	817.51	986.11
Pulp	1.75	27.08
Work in Progress	75.96	39.40
<b>Total Closing Stock</b>	<b>895.22</b>	<b>1,052.59</b>
<b>Total</b>	<b>157.37</b>	<b>(59.47)</b>

### 28. Employee benefit expenses

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salary, wages and bonus*	2,132.06	2,121.81
Directors remuneration*	352.90	264.09
Contribution to provident and other funds	121.07	115.45
Defined benefit plan expenses	50.10	37.74
Workmen and staff welfare expenses	138.19	127.97
<b>Total</b>	<b>2,794.32</b>	<b>2,667.06</b>

\* Refer note 35 for payments made to Related parties

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 29. Finance costs

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on		
- Term loan	644.70	674.63
- Others	350.90	485.66
Net loss on foreign currency translation and transactions	-	-
Bank and documentation charges	98.93	101.11
<b>Total</b>	<b>1,094.53</b>	<b>1,261.40</b>

## 30. Depreciation and amortisation expense

Particulars	(₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation on property, plant and equipment	952.78	952.82
Amortisation on intangible assets	13.15	23.13
<b>Total</b>	<b>965.93</b>	<b>975.95</b>

## 31. Other expenses

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Operating Expenses		
Power and Fuel	2,758.13	4,162.87
Effluent Treatment Expenses	70.63	89.13
Repairs and Maintenance		
- Building	75.39	31.20
- Machinery	330.25	376.62

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 31. Other expenses

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
- Others	323.59	320.56
Freight, Handling and Other Sales and Distribution expenses	581.59	711.60
Commission on sales	123.48	172.84
Others		
Rent	24.50	20.07
Insurance	70.13	45.47
Travelling and Conveyance	116.85	273.15
Legal and Professional Charges	321.84	190.99
Auditor's Remuneration (refer note below)	8.73	7.75
Subscription and Donation	40.19	47.93
Amortisation of deferred income on EPCG license	20.82	20.82
Research and development expenses	14.39	23.19
Printing and Stationery	15.66	29.74
Communication cost	20.83	21.83
Advertisement and Publicity	21.23	5.73
Loss on Assets discarded/scrapped	17.77	5.32
Loss on sale of export incentives	-	2.77
Exchange Fluctuation (net)	-	10.54
Fair valuation of investments	-	0.02
Provision for impairment of non financial assets	-	15.97
Irrecoverable Trade receivables and other balance balances	-	397.25
Provision on doubtful receivables and others	85.48	15.02
CSR Expenditure	70.00	40.00
Miscellaneous Expenses	67.65	95.08
<b>Total</b>	<b>5,179.13</b>	<b>7,133.46</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### Note:

Auditor's remuneration comprises:

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
As Auditors	4.75	4.75
For Limited Review	3.00	3.00
For certification	0.98	-
<b>Total</b>	<b>8.73</b>	<b>7.75</b>

### 32. Tax Expenses

#### (a) Amounts recognized in profit and loss

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Current tax expense</b>		
Current year	411.50	685.13
Changes in estimates relating to prior years	0.00	29.35
<b>Total</b>	<b>411.50</b>	<b>714.48</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	209.51	477.53
<b>Total</b>	<b>209.51</b>	<b>477.53</b>
<b>Tax expense recognized in the income statement</b>	<b>621.01</b>	<b>1,192.01</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (b) Amounts recognized in other comprehensive income

(Amount ₹ In Lakhs)

Particulars	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	31.91	(9.29)	22.62	(62.69)	18.26	(44.43)
	31.91	(9.29)	22.62	(62.69)	18.26	(44.43)

### (c) Reconciliation of effective tax rate

(Amount ₹ In Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	%	Amount	%	Amount
<b>Profit before tax</b>		2,293.12		3,953.84
Tax using the Company's domestic tax rate	21.54%	493.94	21.54%	851.66
<b>Tax effect of:</b>				
Deferred tax	9.54%	218.80	11.62%	459.27
Due to permanent differences	(3.87)%	(88.78)	(1.56)%	-61.70
Adjustment of 43B assets pertaining to previous year	1.50%	34.36	(2.11)%	(83.42)
Others	(1.22)%	(28.01)	0.20%	7.94
<b>Effective income tax rate</b>	<b>27.49%</b>	<b>630.30</b>	<b>29.69%</b>	<b>1,173.75</b>

The applicable tax rate for the Company for the year ended 31st March, 2021 was 29.12% (Previous Year: 29.12%). The Company pays tax as per the provisions of MAT and therefore the applicable tax rate is 17.47% (Previous Year: 21.54%). The tax rate has been reduced to 22% from September 2019. However the Company has decided to continue with the old rates on account of unutilised MAT credit.

# Notes forming part of the financial statements for the year ended 31st March, 2021

## (c) Reconciliation of effective tax rate

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2021					
	Net balance 1st April, 2019	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax (Asset)/Liabilities</b>						
On difference between book balance and tax balance of PPE	2,254.50	89.93	-	2,344.43	-	2,344.43
Provision on employee benefits	(101.52)	9.10	(9.29)	(101.71)	101.71	-
Unaborsorbed business losses and depreciation	0.00	0.00	-	0.00	-	-
Unused tax credits	(1,043.57)	(50.49)	-	(1,094.06)	1,094.06	-
Interest to bank	(97.49)	34.29	-	(63.20)	63.20	-
Others	(26.87)	145.27	-	118.40	-	118.40
<b>Tax assets (Liabilities) (Net)</b>	<b>985.06</b>	<b>228.10</b>	<b>(9.29)</b>	<b>1,203.86</b>	<b>1,258.97</b>	<b>2,462.83</b>

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2020					
	Net balance 1st April, 2019	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax (Asset)/Liabilities</b>						
On difference between book balance and tax balance of PPE	2,136.21	118.29	-	2,254.50	-	2,254.50
Provision on employee benefits	(67.79)	(51.99)	18.26	(101.52)	101.52	-
Unaborsorbed business losses and depreciation	16.99	(16.99)	-	0.00	0.00	-
Unused tax credits	(1,368.45)	324.88	-	(1,043.57)	1,043.57	-
Interest to bank	(160.98)	63.49	-	(97.49)	97.49	-
Others	(30.20)	3.34	-	(26.86)	26.86	-
<b>Tax assets (Liabilities) (Net)</b>	<b>525.78</b>	<b>441.03</b>	<b>18.26</b>	<b>985.06</b>	<b>1,269.43</b>	<b>2,254.50</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (c) Reconciliation of effective tax rate

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2021					
	Net balance 1st April, 2019	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Unabsorbed business losses and depreciation	0.00	0.00	-	-	0.00	-

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2020					
	Net balance 1st April, 2019	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Unabsorbed business losses and depreciation	(16.99)	16.99	-	0.00	0.00	-

### 33. Earnings per share

(Amount ₹ In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Profit for the year</b>	1,672.11	2,761.83
Equity shares at the beginning of the year (nos.)	3,52,40,000	3,52,40,000
Equity shares issued during the year	-	-
<b>Equity shares at the end of the year (nos.)</b>	<b>3,52,40,000</b>	<b>3,52,40,000</b>
<b>Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)</b>	<b>3,52,40,000</b>	3,52,40,000
<b>Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)</b>	<b>3,52,40,000</b>	3,52,40,000
Earnings per share-basic (face value of ₹10/- each) (₹)	4.74	7.84
Earnings per share-diluted (face value of ₹10/- each) (₹)	4.74	7.84

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 34. Employee Benefit Disclosures

### I. Defined Contribution plan

The Company makes contributions towards provident fund to defined contribution retirement plan for the qualifying employee. The Provident fund contributions are made to Government administered employees' provident fund. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary.

The Company has recognized the following amounts in the Statement of Profit and Loss during the year under 'Contribution to staff provident and other funds' (Refer note 28)

Particulars	(Amount ₹ In Lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Employer's contribution to Provident Fund	91.62	85.77
<b>Total</b>	<b>91.62</b>	<b>85.77</b>

### III. Defined benefit plans

The company operates funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to retirement benefits depending upon the number of years of service rendered by them subject to minimum specified number of years of service.

No other post retirement benefits are provided to these employees.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at 31st March, 2021 by the certified actuarial valuer.

The present value of the defined benefit obligation, related current service cost and past service cost were measured using the projected unit credit method.

#### (A) Movements in net defined benefit (asset)/ liability

Particulars	(Amount ₹ In Lakhs)	
	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Defined obligations at the beginning of the year	407.57	342.84
Current service cost	46.21	37.47
Interest cost	26.90	26.06
Past service costs		

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (A) Movements in net defined benefit (asset)/ liability

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Benefits paid	(25.87)	(58.39)
Actuarial (gain)/loss		
- change in demographic assumptions	(12.45)	(0.24)
- change in financial assumptions	(12.55)	36.18
- experience variance	(7.90)	23.65
<b>Defined benefit obligation as at end of the year</b>	<b>421.91</b>	<b>407.57</b>

### (B) Movements in the fair value of plan assets

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Fair value at beginning of the year	348.70	339.40
Investment income	23.01	25.79
Return on plan assets	(1.00)	(3.11)
Actual return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Contributions by the employer	49.50	45.00
Other adjustments		
Benefits paid	(25.87)	(58.39)
<b>Fair value of plan assets as at end of the year</b>	<b>394.34</b>	<b>348.70</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (C) Amount recognized in the balance sheet

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Present value of defined benefit obligation as at end of the year	421.91	407.57
Fair value of plan assets as at end of the year	394.34	348.70
<b>As at year end</b>	<b>(27.57)</b>	<b>(58.87)</b>

### (D) Amounts recognized in the statement of profit and loss

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Current service cost	46.21	37.48
Past service cost	-	-
Net interest income/ (cost) on the net defined benefit liability (Asset)	3.89	0.26
<b>Total</b>	<b>50.10</b>	<b>37.74</b>

### (E) Amounts recognized in other comprehensive income

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Actuarial (gains) / losses due to :		
- change in demographic assumptions	(12.45)	(0.24)
- change in financial assumptions	(12.55)	36.18
- experience variance	(7.90)	23.65
Return on plan assets	1.00	3.11
<b>Total</b>	<b>(31.90)</b>	<b>62.69</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (F) Category of plan assets

The Company's plan assets in respect of gratuity are funded through the Gratuity Scheme of LIC

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Administered by Life Insurance Corporation of India *	100%	100%
Government of India Securities	0%	0%
State Government securities	0%	0%
Special Deposit Scheme	0%	0%

\*The Company is unable to obtain the details of plan assets from the Life Insurance Corporation of India and hence the disclosure thereof is not made.

### (G) Sensitivity analysis

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
<b>DBO On base assumptions</b>		
<b>A. Discount Rate (- / + 1%)</b>		
Discount Rate Increase	380.53	371.39
1. Effect due to 1% increase in discount rate	(9.81)%	(8.88)%
Discount Rate Decrease	470.89	450.11
2. Effect due to 1% decrease in discount rate	11.61%	10.44%
<b>B. Salary Growth Rate</b>		
Salary Growth Rate Increase	468.50	448.50
1. Effect due to 1% increase in discount rate	11.04%	10.04%
Salary Growth Rate Decrease	381.44	371.69
2. Effect due to 1% decrease in discount rate	(9.59)%	(8.80)%
<b>C. Attrition Rate</b>		
Attrition Rate Increase	430.01	412.95

# Notes forming part of the financial statements for the year ended 31st March, 2021

## (G) Sensitivity analysis

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
1. Effect due to 50% increase in discount rate	1.94%	1.32%
Attrition Rate Decrease	412.59	401.44
2. Effect due to 50% decrease in discount rate	(2.21)%	(1.50)%
<b>D. Mortality Rate</b>		
Mortality Rate Increase	423.48	408.52
1. Effect due to 10% increase in discount rate	0.37%	0.23%
Mortality Rate Decrease	420.29	406.60
2. Effect due to 10% decrease in discount rate	(0.38)%	(0.24)%

## (H) The expected future cash flows as at 31st March, 2021 were as follows:

(Amount ₹ In Lakhs)

Summary of Assets and Liabilities	Amount
2016-17	(66.79)
2017-18	(40.70)
2018-19	(3.44)
2019-20	(58.87)
2020-21	(27.57)

## (I) Expected Cash flows over the next

(Amount ₹ In Lakhs)

Particulars	Amount
1 year	12.55
2 to 5 years	139.28
6 to 10 years	173.00
More than 10 years	732.50

## Notes forming part of the financial statements for the year ended 31st March, 2021

### (J) Actuarial assumptions

Actuarial valuation as at the year-end was done in respect of the aforesaid defined benefit plans based on the following assumptions:

i) General assumptions

(Amount ₹ In Lakhs)

Particulars	Gratuiti (funded)	
	31st March, 2021	31st March, 2020
Discount rate (per annum)	6.90%	6.60%
Withdrawal rate	2.00%	2.00%
Rate of increase in compensation	5.00%	5.00%

- ii) Mortality rates considered are as per the published rates in the India Assured Lives Mortality 2012-14 (Previous year: India Assured Lives Mortality (2006-08) (Modified) ULT. ) mortality table.
- iii) Leave policy: Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to 31st December 2020 is available for encashment on separation from the Company up to a maximum of 30 days.
- iv) The discount rate should be based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
- v) The contribution to be made by the Company for funding its liabilities for gratuity during the financial year 2020-21 amounts to ₹49.50 lakhs (PY ₹45 lakhs).
- vi) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.
- vii) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.
- viii) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.
- ix) Short term compensated absences have been provided on actual basis.

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 35. Related party relationships, transactions and balances:

### a) Name of Related Parties and nature of relationship

#### I. Key Managerial Personnel and relatives

##### 1. Executive Directors

(a) Ved Krishna	Executive Vice Chairman
(b) Jagdeep Hira	Managing Director
(c) Narendra Kumar Agrawal	Director Works

##### 2. Non - Executive Directors

(a) Kimberly Ann McArthur	Director
(b) Manjula Jhunjhunwala	Director
(c) Kaikobad Dorab Pudumjee (Upto 20.09.2019)	Independent Director
(d) Pradeep Vasant Dhobale	Independent Director
(e) Indroneel Banerjee	Independent Director
(f) Gyanendra Nath Gupta (Upto 20.09.2019)	Independent Director
(g) Jaideep Narain Mathur (Upto 14.02.2020)	Independent Director
(h) Atul Kumar Gupta	Independent Director
(i) Imanul Haque (Upto 31.12.2020)	Independent Director
(j) Srinivas Vishnubhatla	Independent Director
(k) Basant Kumar Khaitan	Independent Director

##### 3. Other Key Management Personnel

(a) Jignesh Shah (from 20.06.2020)	Chief Financial Officer
(b) U U V Ravikanth (from 05.02.2019 to 25.07.2019)	Chief Financial Officer
(c) Neetika Suryawanshi (From 10.08.2019 to 06.02.2020)	Chief Financial Officer
(d) Manoj Kumar Maurya (From 07.02.2020 to 09.06.2020)	Chief Financial Officer
(e) Sachin Kumar Srivastava (Upto 31.10.2020)	Company Secretary
(f) Bhavna Kodarbhai Patel (From 01.11.2020)	Company Secretary

#### II. Enterprise over which the Key Managerial Personnel have significant influence with whom transactions have taken place during the year

(a) Yash Agro Products Limited	(f) Ved Krishna HUF
(b) Yash Compostables Limited	(g) K. K. Jhunjhunwala HUF
(c) Satori Global Limited	(h) AMJ Land Holdings Limited
(d) Jingle Bell Nursery School Society	(i) Mosaik Risk Solutions Private Limited
(e) K K Charitable Foundation	(j) WMW Metal Fabrics Limited

# Notes forming part of the financial statements for the year ended 31st March, 2021

## b) Details of transactions with related parties during the year

(Amount ₹ In Lakhs)

Particulars	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>INCOME</b>						
<b>Sales net of discount/incentives</b>						
Yash Compostables Limited	-	-	1,532.44	1,801.96	1,532.44	1,801.96
Pudumjee Paper Products Limited.	-	-	603.92	950.76	603.92	950.76
<b>Received from services and others</b>						
Jingle Bell Nursery School Society	-	-	0.58	0.79	0.58	0.79
Yash Compostables Limited	-	-	7.40	-	7.40	-
<b>Interest on Trade receivables</b>						
Yash Compostables Limited	-	-	37.42	39.26	37.42	39.26
<b>Rent received</b>						
Yash Agro Products Limited	-	-	0.24	0.24	0.24	0.24
Yash Compostables Limited	-	-	0.24	0.24	0.24	0.24
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,182.25</b>	<b>2,793.25</b>	<b>2,182.25</b>	<b>2,793.25</b>
<b>EXPENSES</b>						
<b>Purchases</b>						
Mosaik Risk Solutions Private Limited	-	-	-	-	-	-
WMW Metal Fabrics Limited	-	-	7.25	-	7.25	-
Satori Global Limited	-	-	31.82	-	31.82	-
<b>Loss/(gain) on investments measured at FVTPL</b>						
AMJ Land Holdings Limited	-	-	(0.04)	0.04	(0.04)	0.04
<b>Interest on unsecured loan</b>						
Yash Agro Products Limited	-	-	31.50	31.50	31.50	31.50

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Donation paid</b>						
K K Charitable Foundation	-	-	70.00	40.00	70.00	40.00
<b>Dividend Paid</b>						
Ved Krishna	110.40	110.10	-	-	110.40	110.10
Manjula Jhunjunwala	5.51	5.51	-	-	5.51	5.51
Narendra Kumar Agarwal	0.01	0.01	-	-	0.01	0.01
Imanul Haque	-	0.02	-	-	-	0.02
Satori Global Limited	-	-	33.35	33.35	33.35	33.35
Yash Agro Products Limited	-	-	9.69	9.69	9.69	9.69
K. K. Jhunjunwala, HUF	-	-	0.16	0.16	0.16	0.16
<b>Remuneration (Managerial Remuneration)*</b>						
Ved Krishna	146.93	112.20	-	-	146.93	112.20
Jagdeep Hira	181.64	104.70	-	-	181.64	104.70
Narendra Kumar Agarwal	37.15	35.19	-	-	37.15	35.19
Jignesh Shah (from 20.06.2020)	41.89	-	-	-	41.89	-
U U V Ravikanth (from 05.02.2019 to 25.07.2019)	-	5.80	-	-	-	5.80
Manoj Kumar Maurya (From 07.02.2020 to 09.06.2020)	2.45	3.07	-	-	2.45	3.07
Neetika Suryawanshi (From 10.08.2019 to 06.02.2020)	-	15.19	-	-	-	15.19
Sachin Kumar Srivastava (Upto 31.10.2020)	8.24	15.06	-	-	8.24	15.06
Bhavna Kodarbhai Patel (From 01.11.2020)	7.66	-	-	-	7.66	-

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Sitting Fees</b>						
Manjula Jhunjunwala	1.20	0.68	-	-	1.20	0.68
Kimberly Ann McArthur	1.05	0.60	-	-	1.05	0.60
Kaikobad Dorab Pudumjee (till 20.09.2019)	-	0.38	-	-	-	0.38
Gyanendra Nath Gupta (till 20.09.2019)	-	0.38	-	-	-	0.38
Pradeep Vasant Dhobale	1.35	0.83	-	-	1.35	0.83
Atul Kumar Gupta	1.20	0.45	-	-	1.20	0.45
Srinivas Vishnubhatla	1.35	0.60	-	-	1.35	0.60
Indroneel Banerjee	1.50	0.60	-	-	1.50	0.60
Imanul Haque (Upto 31.12.2020)	0.60	0.15	-	-	0.60	0.15
Basant Kumar Khaitan	1.35	0.60	-	-	1.35	0.60
Jaideep Narayan Mathur (Upto 14.02.2020)	-	-	-	-	-	-
<b>Consultancy Charges</b>						
Kimberly Ann McArthur	56.28	12.00	-	-	56.28	12.00
<b>Pension</b>						
Manjula Jhunjunwala	12.00	12.00	-	-	12.00	12.00
<b>Total</b>	<b>619.76</b>	<b>436.10</b>	<b>183.72</b>	<b>114.74</b>	<b>803.48</b>	<b>550.84</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### c) Outstanding balances with related parties:

(Amount ₹ In Lakhs)

Particulars	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
<b>Assets</b>						
<b>Investments</b>						
AMJ Land Holdings Limited	-	-	0.13	0.08	0.13	0.08
<b>Receivable For Services/others</b>						
Ved Krishna	9.42				9.42	
Kimberly Ann McArthur	0.35				0.35	
<b>Trade Receivables</b>						
Yash Compostables Limited	-	-	396.08	383.24	396.08	383.24
Pudumjee Paper Products Limited.	-	-	30.90	80.35	30.90	80.35
<b>Total</b>	<b>9.77</b>	<b>-</b>	<b>427.11</b>	<b>463.67</b>	<b>427.46</b>	<b>463.67</b>
<b>Liabilities</b>						
<b>Unsecured Loans</b>						
Yash Agro Products Limited	-	-	315.00	315.00	315.00	315.00
Mr. Ved Krishna	208.00	309.25	-	-	208.00	309.25
Ved Krishna HUF	-	-	-	25.00	-	25.00
<b>Interest payable on unsecured loans</b>						
Yash Agro Products Limited	-	-	21.85	4.73	21.85	4.73
<b>Payable For Services/others</b>						
Ved Krishna	-	3.47	-	-	-	3.47
Kimberly Ann McArthur	-	-	-	-	-	-
Manjula Jhunjunwala	-	-	-	-	-	-
Jingle Bell Nursery School Society	-	-	-	0.04	-	0.04
Yash Compostables Limited	-	-	-	-	-	-

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
<b>Trade Payable</b>					-	-
Satori Global Limited			31.82		31.82	-
<b>Guarantees</b>					-	-
<b>Personal Gurantees</b>					-	-
Ved Krishna	21,524.00	21,588.00	-	-	21,524.00	21,588.00
Manjula Jhunjunwala	21,524.00	21,588.00	-	-	21,524.00	21,588.00
<b>Corporate Guarantees</b>						
Satori Global Limited	-	-	21,524.00	21,588.00	21,524.00	21,588.00
Yash Agro Products Limited	-	-	21,524.00	21,588.00	21,524.00	21,588.00
<b>Total</b>	<b>43,256.00</b>	<b>43,488.72</b>	<b>43,416.67</b>	<b>43,520.76</b>	<b>86,672.67</b>	<b>87,009.48</b>

### d) Other Notes

No amount has been written off/back or provision made for loss allowance during the year in respect of related parties.

## 36. Financial Instruments

### (i) Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total borrowings includes all long and short-term borrowings as disclosed in notes 16 to the financial statements.

## Notes forming part of the financial statements for the year ended 31st March, 2021

The capital structure of the company consists of debt, which includes the borrowings including temporary overdrawn balance, cash and cash equivalents including short term bank deposits, equity comprising issued capital and reserves . The gearing ratio for the year is as under:

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Debt	9,394.08	9,760.01
Less: Cash and cash equivalent including short term deposits (restricted)	335.94	407.47
<b>Net debt (A)</b>	<b>9,058.14</b>	<b>9,352.54</b>
<b>Total equity (B)</b>	<b>13,005.32</b>	<b>11,662.99</b>
<b>Debt Equity Ratio (A/B)</b>	<b>0.70</b>	<b>0.80</b>

### (ii) Categories of financial instruments

#### Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the reporting date.
- The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Company (since the date of inception of the loans).
- The fair value of loans from banks and other financial indebtedness as well as other non current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.
- Cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial Assets</b>				
<b>Financial assets measured at fair value</b>				
Investments measured at FVTPL	-	0.14	-	0.10
<b>Financial assets measured at amortized cost</b>				
Trade Receivables	1,541.48	-	1,773.88	-
Cash and cash equivalents	19.86	-	28.67	-
Bank balances other than cash and cash equivalents	316.08	-	378.80	-
Other financial assets	158.89	-	169.28	-
<b>Total</b>	<b>2,036.31</b>	<b>0.14</b>	<b>2,350.63</b>	<b>0.10</b>
<b>Financial Liabilities</b>				
<b>Financial liabilities measured at amortized cost</b>				
Borrowings	9,394.08	-	9,760.01	-
Trade and other payables	753.58	-	847.23	-
Other financial liabilities	1,565.63	-	1,697.66	-
<b>Total</b>	<b>11,713.29</b>	<b>-</b>	<b>12,304.90</b>	<b>-</b>

### Fair value measurements recognized in the balance sheet:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31st March, 2021</b>				
<b>Assets at fair value</b>				
Investments measured at FVTPL	0.14	-	-	0.14
<b>As at 31st March, 2020</b>				
<b>Assets at fair value</b>				
Investments measured at FVTPL	0.10	-	-	0.10

### (iii) Financial risk management objectives:

The Company's principal financial liabilities comprise of loan from banks and financial institutions, and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, credit risk, market risk, interest rate risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

#### (a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

#### Trade and Other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 21 - 30 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

At 31st March, 2021, the Company's top three customers accounted for ₹613.80 lakhs of the trade and other receivables carrying amount (P.Y. : ₹826.22 lakhs).

#### Expected credit loss assessment for customers:

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2021		
	Gross carrying amount	Weighed average loss rate - range	Loss allowance
<b>Neither past due not impaired</b>			
0 to 1 yr	1,418.81	0%	-
1 to 2 yrs	1.28	5%	0.06
2 to 3 yrs	16.10	10%	1.61
3yrs and above	54.63	25%	13.66
Specific provision	131.96	50%	65.98
<b>Total</b>	<b>1,622.78</b>		<b>81.31</b>

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2020		
	Gross carrying amount	Weighed average loss rate - range	Loss allowance
<b>Neither past due not impaired</b>			
0 to 1 yr	1,612.42	0%	-
1 to 2 yrs	21.11	5%	1.06
2 to 3 yrs	-	10%	-
3yrs and above	175.67	25%	43.92
Specific provision	19.31	50%	9.66
<b>Total</b>	<b>1,828.51</b>		<b>54.63</b>

### Movement in the expected credit loss allowance

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Balance at the beginning of the year</b>	54.63	39.61
Add: Provision made during the year	26.68	15.02
<b>Balance at the end of the year</b>	<b>81.31</b>	<b>54.63</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks.

The Company held cash and cash equivalents of ₹19.86 lakhs at 31st March, 2021 (P.Y.: ₹28.67 lakhs). Cash and cash equivalents are held with reputable and credit-worthy banks.

Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

### (b) Market risk:

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

### (l) Foreign currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Company's exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company does not use derivative financial instruments for trading or speculative purposes.

The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

Particulars	(Amount In Lakhs)			
	As at 31st March, 2021		As at 31st March, 2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	104.00	123.37	296.24	165.56
Euro	-	-	41.77	-
AED	35.30	-	11.10	-
<b>Total</b>	<b>139.30</b>	<b>123.37</b>	<b>349.10</b>	<b>165.56</b>

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currency receivables and payables. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign

## Notes forming part of the financial statements for the year ended 31st March, 2021

currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Impact on profit before tax</b>		
USD	(0.97)	6.53
Euro	-	2.09
AED	1.77	0.55
<b>Total</b>	<b>0.80</b>	<b>9.17</b>

### (II) Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

#### Interest rate sensitivity analysis:

As at 31st March, 2021 and 2020, financial liability of ₹8,955.13 Lakhs and ₹9,235.32 Lakhs, respectively, were subject to variable interest rates. Increase/decrease of 25 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹22.39 lakhs and ₹23.09 lakhs for the year ended 31st March, 2021 and 2020, respectively.

The risk estimates provided assume a parallel shift of 25 basis points interest rate. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

### (III) Liquidity risk:

The Company follows a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Company has a cash credit facility with banks to support any temporary funding requirements.

The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

## Notes forming part of the financial statements for the year ended 31st March, 2021

### Liquidity table:

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2021			Total
	Within One Year	One to five years	More than five years	
<b>Financial instruments:</b>				
Borrowings	5,701.62	3,207.46	152.07	9,061.15
Trade and other payables	753.58	-	-	753.58
Other financial liabilities	1,565.63	-	-	1,565.63
<b>Total financial liabilities</b>	<b>8,020.83</b>	<b>3,207.46</b>	<b>152.07</b>	<b>11,380.36</b>

(Amount ₹ In Lakhs)

Particulars	As at 31st March, 2020			Total
	Within One Year	One to five years	More than five years	
<b>Financial instruments:</b>				
Borrowings	5,487.85	3,404.23	1,290.54	10,182.62
Trade and other payables	847.23	-	-	847.23
Other financial liabilities	1,697.66	-	-	1,697.66
<b>Total financial liabilities</b>	<b>8,032.74</b>	<b>3,404.23</b>	<b>1,290.54</b>	<b>12,727.51</b>

### (IV) Other price risk:

The Company is not exposed to any significant equity price risks arising from equity investments, as on 31st March 2021. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

### Equity price sensitivity analysis:

There is minimum exposure to equity price risks as at the reporting date or as at the previous reporting date.

# Notes forming part of the financial statements for the year ended 31st March, 2021

## 37. Segmental Information

### Business Segment

The Company has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM').

- a) Paper, Pulp and other products
- b) Moulded Products

The above business segments have been identified considering :

- a) the nature of products
- b) the differing risks and returns
- c) the internal organization and management structure, and
- d) the internal financial reporting systems

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Jagdeep Hira (Managing Director ), as explained in the Directors' Report section.

The measurement principles of segments are consistent with those used in Significant Accounting Policies.

(Amount ₹ In Lakhs)

Particulars	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
	Paper	Moulded Product	Total	Paper	Moulded Product	Total
<b>REVENUE</b>	17,150.84	2,347.12	19,497.96	23,736.76	2,373.74	26,110.50
<b>RESULTS</b>						
<b>Profit/ loss before interest</b>	<b>2,779.12</b>	<b>719.18</b>	<b>3,498.29</b>	<b>5,463.84</b>	<b>(149.06)</b>	<b>5,314.78</b>
Less: interest	(591.14)	(503.38)	(1,094.53)	(742.11)	(519.28)	(1,261.39)
Unallocable Expenses	0.00	0.00	(110.64)	0.00	0.00	(99.55)
<b>Total profit before tax</b>	<b>2,187.98</b>	<b>215.79</b>	<b>2,293.12</b>	<b>4,721.73</b>	<b>(668.34)</b>	<b>3,953.84</b>
<b>Provision for taxation</b>						
Current	0.00	0.00	411.50	0.00	0.00	685.13
Deferred tax	0.00	0.00	209.51	0.00	0.00	477.53

## Notes forming part of the financial statements for the year ended 31st March, 2021

(Amount ₹ In Lakhs)

Particulars	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
	Paper	Moulded Product	Total	Paper	Moulded Product	Total
Earlier years	0.00	0.00	0.00	0.00	0.00	29.35
<b>Net Profit</b>	<b>2,187.98</b>	<b>215.79</b>	<b>1,672.11</b>	<b>4,721.73</b>	<b>(668.34)</b>	<b>2,761.83</b>
<b>Other information</b>						
<b>Assets</b>	<b>21,773.56</b>	<b>4,432.11</b>	<b>26,205.67</b>	<b>21,135.08</b>	<b>4,767.20</b>	<b>25,902.28</b>
<b>Unallocable Assets</b>	<b>0.00</b>	<b>0.00</b>	<b>35.23</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Liabilities</b>	<b>6,739.49</b>	<b>5,050.00</b>	<b>11,789.49</b>	<b>7,347.29</b>	<b>5,600.87</b>	<b>12,948.16</b>
<b>Unallocable Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>1,446.09</b>	<b>0.00</b>	<b>0.00</b>	<b>1,291.11</b>

### Additional Information by Geographies

Although the Company's operations are managed by product area, we provide additional information based on geographies.

(Amount ₹ In Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Revenue by geographical market</b>		
Within India	15,287.01	20,696.60
Outside India	3,078.08	4,542.08
<b>Total</b>	<b>18,365.09</b>	<b>25,238.67</b>

All non current assets of the Company are located in India.

### Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products.

(Amount ₹ In Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Paper, pulp and other products	16,743.31	23,314.45
<b>Total</b>	<b>16,743.31</b>	<b>23,314.45</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### Revenue from major customers

The Company is not reliant on revenues from transactions with any single customer and does not receive 10% or more of its revenue from transactions with any single customer in case of Paper and Pulp. The transactions from single customer for moulded products is as follows:

Particulars	(Amount ₹ In Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Yash Compostables Limited	1,532.44	1,801.96
<b>Total</b>	<b>1,532.44</b>	<b>1,801.96</b>

### 38. Disclosure in terms of Ind AS 115 on the accounting of revenue from Contracts with Customers

#### I. Disaggregated revenue information for Revenue from Contracts with Customers

Particulars	(Amount ₹ In Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Types of Goods</b>		
Paper	15,174.70	20,163.46
Pulp	1,141.17	2,724.61
Egg Tray	245.70	237.08
Baggasse Pith Pallets	181.74	189.30
Moulded products	1,621.78	1,924.23
<b>Total</b>	<b>18,365.09</b>	<b>25,238.68</b>
<b>Sales by Geographical location</b>		
India	15,287.01	20,696.60
Outside India	3,078.08	4,542.08
<b>Total</b>	<b>18,365.09</b>	<b>25,238.68</b>
<b>Sale Channels</b>		
Directly to Consumers	2,027.41	1,850.45
Through intermediaries	16,337.68	23,388.23
<b>Total</b>	<b>18,365.09</b>	<b>25,238.68</b>
<b>Sales by performance obligation</b>		
Upon Shipment/ Dispatch	18,365.09	25,238.68
Upon Delivery	-	-
<b>Total</b>	<b>18,365.09</b>	<b>25,238.68</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

### II. Reconciliation between revenue with customers and contract price:

Particulars	(Amount ₹ In Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue as per contracted price	18,381.06	25,265.53
<b>Adjustments</b>		
Discounts/ Rebates	(15.97)	(26.85)
<b>Revenue from contracts with Customers</b>	<b>18,365.09</b>	<b>25,238.68</b>

### III. Reconciliation of the revenue from contracts with the amounts disclosed in the segment information

Particulars	(Amount ₹ In Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Total revenue from contracts with customer	18,365.09	25,238.68
Total revenue as per Segment		-
- Paper, pulp and other products	16,743.31	23,314.45
- Moulded products	1,621.78	1,924.23

### IV. Contract Balances

Particulars	(Amount ₹ In Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Trade Receivables	1,541.48	1,773.88
Contract Liabilities	157.12	170.26

### 39. Disclosure in terms of Ind AS 116

Effective 01st April 2019, the Company has adopted Ind AS 116 – Leases and applied it to all lease contracts existing on 01st April 2019 using modified retrospective method. The Company is not required to restate the previous figures. There is no material impact on transition.

#### Operating Leases

##### As Lessee

##### Short term leases:

The Company has obtained premises for its business operations under operating leases of low value. These are not non-cancelable and are renewable by mutual consent of the parties.

## Notes forming part of the financial statements for the year ended 31st March, 2021

The same are shown under 'Rent' in the Statement of Profit and Loss as follows:

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Lease rent	24.50	21.91

### As Lessor

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payments to be received after the reporting period.

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Within one year	1.13	1.75
Between one to five years	1.32	2.45
Beyond five years	0	0

### Finance Leases

#### Amounts recognised in the Balance Sheet

A company has finance lease arrangement for various land leases for terms of 61- 74 years . The carrying amount of these assets are shown below:

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
<b>Land</b>		
Gross Carrying Amount	181.25	181.25
Accumulated Depreciation	14.28	12.01
Depreciation recognized in statement of profit and loss	2.19	2.27

### 40. Expenditure on Research and Development

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Capital Expenditure	-	-
Revenue Expenditure	14.39	23.19

## Notes forming part of the financial statements for the year ended 31st March, 2021

### 41. Expenditure on Corporate Social Responsibility (CSR)

In pursuance of the provisions of the Companies Act, 2013 and CSR Policy of the Company it is required to spend two percent of the average net profits for the three immediately preceding financial years towards CSR activities.

Since the company has earned profits in preceding previous years, gross amount required to be spent by the company towards CSR activities during the year is ₹57.63 lakhs (P.Y. ₹36.62 lakhs). The company has made CSR expenditure during the year of ₹70.00 Lakhs (P.Y. ₹40 lakhs).

### 42. Contingencies

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Claims against the Company not acknowledged as debts:		
- Indirect Tax	12.74	183.00
- Guarantees given by Banks	702.21	651.29
- Letter of Credits	72.77	499.34
<b>Total</b>	<b>787.72</b>	<b>1,333.63</b>

### 43. Capital and other commitments

Particulars	(Amount ₹ In Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Estimated value of contracts remaining to be executed on capital account (net of advance paid)	431.21	157.22
Other commitments - EPCG licenses	6,478.59	6,196.47
<b>Total</b>	<b>6,909.80</b>	<b>6,353.69</b>

## Notes forming part of the financial statements for the year ended 31st March, 2021

- 44.** The Company has analysed all parameters associated with this risk due to Covid-19 and has assessed that Covid-19 and the business changes thereafter will have no material impact on the going concern of the company.
- 45.** The Board of Directors have, in their meeting on 20th June, 2020 approved the draft scheme of merger of Yash Compostables Limited with the Company subject to receipt of necessary approvals under applicable laws. The Appointed date of the Scheme is 1st April, 2020
- 46.** Figures for the previous period are re-arranged/ re-grouped, wherever necessary, to correspond with the current period's classification and disclosures.

See accompanying notes from 2 to 46 forming part of the financial statements

As per our attached report of even date

For **C N K & Associates LLP**

*Chartered Accountants*

Firm Registration No.: 101961W/W100036

**Himanshu Kishnadwala**

*Partner*

Membership No.: 37391

Place: Mumbai

Date: 30th June, 2021

For and on behalf of the Board

**Jagdeep Hira**

*Managing Director*

DIN: 07639849

Place: Ayodhya

Date: 30th June, 2021

**N K Agrawal**

*Director Works*

DIN: 05281887

Place: Ayodhya

Date: 30th June, 2021

**Jignesh Shah**

*Chief Financial Officer*

Place: Ayodhya

Date: 30th June, 2021

**Bhavna Patel**

*Company Secretary*

Place: Ayodhya

Date: 30th June, 2021





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