

Gayatrishakti Paper & Boards Limited

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 27th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March 2023.

1. Financial Summary

The Company's financial performance for the year ended March 31, 2023 is summarized below:
(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	112215.20	110306.72
Other Income	570.74	101.24
Total Income	112785.95	110407.96
Earnings before Interest, Depreciation and Tax	10033.59	9703.72
Less: Finance Cost	3766.48	3750.95
Less: Depreciation/Amortization	2210.78	2147.74
Profit before tax before exceptional item	4056.32	3805.01
Less: Tax expense	1355.17	1404.46
Less: Exceptional Expenditures	0.00	0.00
Net profit after tax	2701.15	2400.55

2. Operations and State of Affairs

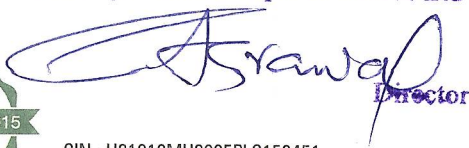
During the financial year 2022-23, your company has achieved a record revenue while steering through the challenges of inflation and supply chain disruptions. In the challenging environment, your Company's performance was strong and your company was able to achieve revenue from operations of ₹ 112215.20 Lakhs in FY 2022-23 as compared to ₹ 110306.72 Lakhs in FY 2021-22. Compared to FY 2021-22, EBITDA stood at ₹10033.59 Lakhs. The overall production was 227622 MT as against 234222 MT in the previous financial year.

A strong focus on enhancing operational efficiency and several cost saving measures yielded a superlative performance coupled with improvement in net sales realisation as well as product portfolio. The improvement in the Company's performance has largely been driven by the outperformance of the export sale of packaging board, validating the foresight of the Company to invest in this segment during the year 2015. The strong demand from FMCG, pharma and e-Commerce sectors helped the company to post the robust growth. The disruption caused by the pandemic has reshaped the paper Industry. Despite that, your company were able to efficaciously manage through it all with a focus on partnering with our customers and helping them navigate this changing environment.

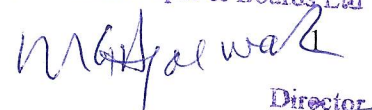
During the year under review, there was a sharp increase in energy cost and cost of major raw materials such as waste paper, pulp due to increased coal prices, low collection of waste paper and unavailability of shipping containers. In order to counter the same, your company implemented several initiatives encompassing cost management, supply chain optimization, smart procurement, long term coal linkages and productivity improvements through automation which helped in absorbing escalation in input costs, product development etc.

In the coming five years, paper and paperboard Industry in India is expected to grow at a CAGR of 5.5%. Considering the changed and challenging scenario, your Company has incorporated flexibility to manufacture premium grade kraft paper, white top liner and virgin top liner on its paper machine. Your Company expects demand for packaging to improve globally since consumers are discarding

For Gayatrishakti Paper & Boards Ltd


Director

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Director



CIN : U21010MH2005PLC153451

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Behind Yashraj Studio, Andheri (W), Mumbai-400 053, INDIA

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Factory Address: Plot No.799 / 1, GIDC, Vapi-396195, Gujarat, INDIA. • Tel.: +91 260 2408500 / 9099062588



plastic and shifting to paper packaging. It is anticipated that this will prove to be major turnaround for the paper industry over the next decade as paper being the best eco-friendly alternative to plastic.

3. Change in Nature of Business

There was no change in the nature of business during the financial year under review.

4. Financial Statements

The Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 are prepared in accordance with the applicable Accounting Standards form part of this Annual Report.

5. Dividend

The Company wishes to retain its profits for expansion activities and hence, your Directors do not recommend a dividend on the equity shares of the Company for the year under review. Further as per the terms of issue of Preference shares approved by the shareholders, your directors recommend dividend @2% per annum i.e. Rs. 0.20/- on each preference shares of face value of Rs. 10/- each for the financial year 2022-23.

6. Share Capital

The Company's paid-up share capital continues to stand at ₹1960.25 Lakhs as on 31st March, 2023. During the year under review, the Company has not issued any shares or convertible securities or shares with differential voting rights and nor granted stock options or sweat equity.

7. Transfer to Reserves

The Board of Directors do not propose to transfer any amount to any specific reserves for the financial year 2022-23.

8. Deposits

Your Company has not invited or accepted any deposits under Section 73 of the Companies Act, 2013 and the Rules made thereunder for the year under review.

9. Subsidiaries and Associates

The details of subsidiary and associate companies are as under:

Name of the Company	Associate/Subsidiary	CIN
Gayatrishakti Tissue Pvt Ltd	Subsidiary	U21000MH2022PTC380025
Kherani Paper Mills Pvt Ltd	Associate	U21010MH2005PTC153450
Agarwal Paper Mills Pvt Ltd	Associate	U22122GJ1972PTC002190

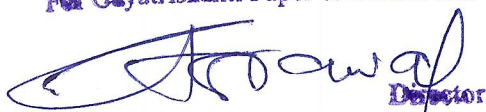
During the year under review, your Company has set up a subsidiary company "Gayatrishakti Tissue Private Limited" for setting up a tissue manufacturing facility at Vapi, Gujarat. The said manufacturing facility will commence its operations in financial year 2024-25.

In respect of 'Associate' companies, a statement containing the required information from the financial statement in the prescribed format AOC-1 is appended and marked as Annexure 1 to this report.


10. Weblink of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website on <https://www.gspbl.com>

For Gayatrishakti Paper & Boards Ltd


Director

For Gayatrishakti Paper & Boards Ltd


Director

11. Board of Directors' & Key Managerial Personnel and Meeting of the Board and committees.

A. Director's retirement by rotation

In accordance with the provision of Section 152 of the Act read with rules made there under and the Articles of Association of the Company, Mahesh Dwivedi (DIN: 08386032) is liable to retire by rotation at the ensuing Annual General Meeting. And being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

B. Declaration by Independent Directors

All Independent directors of the Company have declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act,2013.

C. Number of meeting of the Board

The Board met 8 (Eight) times during the financial year 2022-23. The dates on which the Board meetings were held is as under:-

- i. April 08,2022
- ii. June 23, 2022
- iii. September 14, 2022
- iv. November 14,2022
- v. January 04, 2023
- vi. February 10, 2023
- vii. March 10, 2023
- viii. March 21, 2023

D. Committee Meetings

I) Audit Committee

During the year the Audit Committee comprised of three (3) directors as provided below:

- 1) Mr. Arunkumar Lahoti and
- 2) Mr. P M Aher
- 3) Mr. Mahesh Jalan

During the Financial Year 2022-23, the Audit Committee met two times on September 14, 2022 and January 04, 2023. All the recommendations made by the Audit Committee were accepted by the Board.

The primary role of Audit Committee is that of assisting the Board of Directors in overseeing the:-

- Integrity of the Company's financial statements.
- Qualification and independence of the statutory auditors;
- Performance of the Company's Statutory Auditors and the Internal Audit function; and
- Approval of Annual Financial Statements
- Adequacy and reliability of the internal control system.

II) Nomination & Remuneration Committee


During the year the Nomination and Remuneration Committee comprised of three (3) directors as provided below:

- 1) Mr. Gajendra Agarwal; and
- 2) Mr. Arunkumar Lahoti
- 3) Mr. P M Aher

For Gayatrishakti Paper & Boards Ltd

Director

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Director

During the Financial year, the Nomination & Remuneration Committee met once on September 14, 2022. The charter containing purpose, scope, role and responsibility was adopted by the Board of Directors.

The purpose of the Nomination and Remuneration Committee is to –

- i. Formulate the criteria for determining the qualifications, positive attributes and independence of the directors;
- ii. Consider and identify persons who are qualified to become directors and those who may be appointed to senior management positions, in accordance with pre- determined criteria;
- iii. Pursuant to the above, take appropriate recommendation for selection and appointment or removal of directors and senior management personnel;
- iv. Make recommendations for fixing and payment of remuneration in respect of the above;
- v. Evaluate the performance of the directors on a regular basis and recommend changes, if any;
- vi. Recommend appropriate remuneration policy for directors, key management personnel and other employees, by ensuring that –
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and promote talent;
 - b) The relationship of remuneration to performance is specific, measurable and comparable with industry standards;
 - c) The balance between the fixed and variable component is commensurate with the long term and short-term objectives of the business and its performance and goals.

III) Corporate Social Responsibility Committee

During the year the Corporate Social Responsibility (CSR) Committee comprised of three (3) directors as provided below:

- 1) Mr. Gajendra Agarwal;
- 2) Mr. Arunkumar Lahoti; and
- 3) Mr. P M Aher

During the Financial year, the CSR Committee met two times. The dates on which the meetings were held are September 14, 2022 and January 04, 2023.

12. CSR Activity

An Annual Report on Corporate Social Responsibility (CSR) in terms of Section 135 of the Companies Act 2013 is enclosed as Annexure II to the Board's report.

13. Credit Rating

During the financial year under review, your Company was assigned credit rating of A-/Stable for its Loan facilities by Acuite Ratings & Research Limited. This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

14. Particulars of loans, guarantees or investments

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the loans or guarantees investments made by the company are given in the notes to the financial statements of the Company.

15. Related party transactions

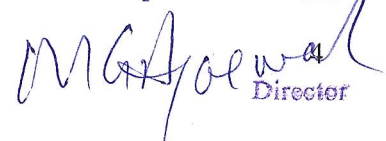
All related party transactions entered during the Financial Year 2022-23 were on arm's length basis and were in ordinary course of business. These are being reported in Form AOC -2 in

For Gayatrishakti Paper & Boards Ltd



Director

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Director

terms of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, is appended and marked as Annexure III to this Report.

16. Vigil Mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company. During the year under review, no instances of unethical behaviour have been reported.

17. Auditors and Auditor Report

A. Statutory Audit

The Members of the Company at the Annual General Meeting held on September 30, 2022 approved the appointment of M/s. Ashok Bairagra & Associates, Chartered Accountants (Firm Registration No. 118677W) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 27th AGM until the conclusion of the 32nd AGM to be held in 2027.

The Auditor's Reports on the Financial Statements for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors. The Auditors have not reported any fraud to the Board.

B. Secretarial Audit

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company had appointed M/s. Nitesh Jain & Co., Company Secretary in practice for the financial year 2023-24 to undertake the Secretarial Audit of the company.

The Secretarial Audit Report is annexed herewith as Annexure - IV.

The observation made in the Secretarial Auditors Report is self-explanatory and hence do not call for any further explanations or comments.

18. Secretarial Standards

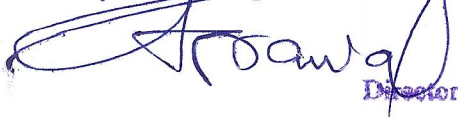
The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118 (10) of the Act.

19. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts for the Financial Year ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) reasonable and prudent accounting policies have been selected and applied consistently, and judgments and estimates made, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023, and of the profit of the Company for the Year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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Director

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Director

- (iv) the annual accounts for the Financial Year ended 31st March 2023, have been prepared on a going concern basis;
- (v) proper systems have been devised, to ensure compliance with the provisions of all applicable laws, and that such systems are adequate and operating effectively.

20. Particulars of Employees

None of the employees fall under the purview of provision of in Rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. Material Changes and commitments

There have been no material changes and commitments affecting the financial position of the company between the end of financial year and date of this report.

22. Internal Financial Control System

The Company has laid down adequate internal financials control, through a combination of process and IT controls inter-alia to ensure efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements / information, safeguarding of asset, prevention and detention of frauds and errors. These controls are tested periodically to ensure they operate effectively and revised, where needed.

23. Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

24. Risk Management

The Risk management policy and process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business.

25. Conservation of energy, 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 appended and marked as 'Annexure V' to this report.

26. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

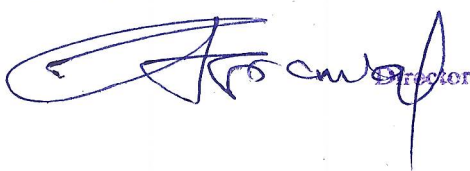
Your Directors state that during the year under review, the Company has complied with provisions relating to the Constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the rules made thereunder.

The Company has not received any complaint of sexual harassment during the financial year 2022-23.

27. Other Disclosures

i) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and

For Gayatrishakti Paper & Boards Ltd



Director

For Gayatrishakti Paper & Boards Ltd



Director

ii) The requirement to disclose the details of difference between the 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, is not applicable.

28. Industrial Relations

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

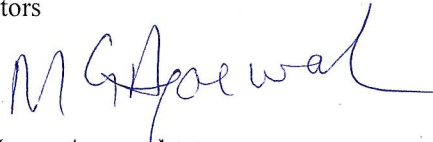
29. Acknowledgment

Your Director's acknowledge and place on record their appreciation of the assistance, support and co-operation extended by the Banks, Collaborators, Government Authorities, Customers, Vendors and business associates of the Company. The Board of Directors of the Company appreciate and value the contributions made by every member of the Company.

For and on behalf of the Board of Directors



Gajendra Agarwal
Chairman & Managing Director
DIN: 00231599
Place: Mumbai
Date: 27th September 2023



Meena Agarwal
Director
DIN: 00231687

