

BOARD'S REPORT

To,  
The Members,  
**SHRENIK LIMITED**  
Ahmedabad.

Dear Members,

Your Directors are pleased to present the 8<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements for the financial year ended on March 31, 2020.

**1. FINANCIAL RESULT**

The financial performance of the Company for the financial year ended on March 31, 2020, is summarised below:

(Amount in ₹)

Particulars	2019-2020	2018-2019
Revenue from Operations		
a. Sale of Products	7,94,56,54,652	8,34,96,11,739
b. Other Operating Revenues	99,19,711	1,82,70,860
Other Income	1,27,04,720	1,58,04,850
<b>Total Revenue</b>	<b>7,96,82,79,083</b>	<b>8,38,36,87,449</b>
<b>Total Expenses</b>	<b>7,80,90,15,343</b>	<b>8,21,04,64,098</b>
Profit Before Exceptional and Extra Ordinary Items and Tax	15,92,63,740	17,32,23,351
Exceptional Items	-	1,61,853
<b>Profit Before Tax</b>	<b>15,92,63,740</b>	<b>17,30,61,498</b>
Tax Expense:		
Current Tax	3,98,93,505	6,17,27,668
Deferred Tax	7,94,613	52,160
Prior period Adjustment	25,36,812	93,412
Total Tax expense	11,60,38,810	6,18,73,240
<b>Profit for the Period</b>	<b>11,60,38,810</b>	<b>11,11,88,258</b>
Provision for Proposed Dividend	2,04,00,000	2,39,64,288
Provision for Corporate Social Responsibility (CSR)	30,12,000	24,02,000
Profit for the year carried to Reserves & Surplus	9,26,26,810	8,48,21,970
<b>Earning Per Share (EPS)</b>	-	-
<b>Basic</b>	<b>1.14</b>	<b>1.09</b>
<b>Diluted</b>	<b>1.14</b>	<b>1.09</b>

**2. OPERATIONS**

During the year under review, the total income of the Company was ₹ 7,96,82,79,083/- as compared to ₹ 8,38,36,87,450/- in the previous year. The profit before tax amounted to ₹ 15,92,63,740/- as against ₹ 17,32,23,351/- in the previous year. The net profit after tax was ₹ 11,60,38,810/- as against ₹ 11,11,88,258/- in the previous year.

**3. DIVIDEND**

Your Directors have recommended a dividend of ₹ 0.20/- per Equity Share (10%) of the face value of ₹ 2/- each for the financial year ended March 31, 2020 subject to the approval of the Shareholders at the ensuing 8<sup>th</sup> Annual General Meeting of the Company.

#### 4. RESERVES

The Company has a closing balance of ₹ 54,20,07,624/- (Rupees Fifty Four Crores Twenty Lakhs Seven Thousand Six Hundred and Twenty Four only) as Reserve and Surplus as on March 31, 2020. The bifurcation of the said Reserves and Surplus are given in the Notes to the Financial Statements, which forms part of this report.

#### 5. MIGRATION OF LISTING

The Equity Shares of the Company were listed on SME Emerge Platform of National Stock Exchange of India Limited till August 1, 2019.

The Company has taken approval from the Shareholders of the Company via Postal Ballot Process and got its listing migrated from SME Platform (EMERGE) to National Stock Exchange (Capital Market Segment – Main Board) w.e.f. August 2, 2019 vide NSE Approval Letter NSE / CML / 41752 dated July 31, 2019.

#### 6. THE STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has put all its efforts in serving required products to all its customers on time. The turnover of the Company during the reporting period amounted to ₹ 7,96,82,79,083/-. The Directors are thankful to all its suppliers for on time delivery of the products. The effort of our suppliers is the backbone of our Company.

The Directors assure the stakeholders of the Company to continue their efforts and enhance the overall performance of the Company in the coming financial years. The Directors express their gratitude towards the stakeholders for all the support the Company has received from them and hope that the Company continues to receive the same support in the coming future.

#### 7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

There has been no material changes and commitments, affecting the financial position of the Company which occurred between the end of financial year and the date of this Report, except as stated specifically in this Report and the impact arising out of COVID-19, which is detailed elsewhere in this Report.

#### 8. COVID - 19 PANDEMIC

Global Pandemic, COVID – 19 has started to surface significantly by mid-March 2020 forcing Government to take decisive rules including lockdown. Your Company had to temporarily suspend its business activities, operations and functioning of offices of the Company as per the directives received from the Government.

The operations, though in a scaled down manner, have since restarted gradually as per the guidelines issued from time to time by the Government. Your Company is involved in the distributorship of Papers, the supply chain was adversely affected on account of restrictions imposed on transportation and also considering the overall Indian paper industry experienced challenges of slowdown in demand.

All the preventive measures such as wearing mask, social distancing, thermal scanning at the entrance, frequent use of sanitizers for employees and office belongings, etc. are implemented and strictly followed in all the offices and warehouses. The situation created by COVID-19 continues to hold some uncertainties for the future; however, the Board and the Management will do it's best to address the same, as the situation evolves, in the interests of all Stakeholders of the Company.

#### 9. CHANGE IN NATURE OF BUSINESS, IF ANY

There were no changes in the nature of business of the Company during the year under review.

#### 10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company for the year ended on March 31, 2020.

#### 11. DEPOSITS

The Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year. The Company has accepted money from the Directors during the financial year pursuant to provision of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 and the details of the same is given in the Notes to the Financial Statements, which forms part of this report.

## 12. BOARD MEETINGS

The Directors of the Company met at regular intervals with the gap between two (2) meetings not exceeding One hundred and Twenty (120) days to take a view of the Company's policies and strategies apart from the Board Matters. The Notices of the Board Meetings are given well in advance to all the Directors of the Company.

During the year, Six(6) meetings of the Board of Directors were held, as required under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of the number of Board meetings held and attendance of Directors are provided in the Corporate Governance Report, which forms part of this Report.

During the year under review, the Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment:

- a. Chi. Goswami Vishal Nathdwara: The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Chi. Goswami Vishal Nathdwara as an Additional Director (Non – Executive Non – Independent) with effect from June 30, 2020. In terms of Section 161 of the Act, he holds office up to the date of this Annual General Meeting. Accordingly, the Board recommends the resolution in relation to appointment of Chi. Goswami Vishal Nathdwara as a Director (Non-Executive Non- Independent) for the approval of the Shareholders of the Company.
- b. Mr. Shalin Kusumgar: The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Shalin Kusumgar as an Additional Director (Non – Executive Independent) with effect from June 30, 2020 for a period of five (5) years. In terms of Section 161 of the Act, he holds office up to the date of this Annual General Meeting. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Shalin Kusumgar as an Independent Director, for a first term of five (5) consecutive years commencing from June 30, 2020 to June 29, 2025 for the approval of the Shareholders of the Company. He meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and as per Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is not debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / MCA or any such statutory authority. During their tenure of appointment, he shall not be liable to retire by rotation as per the Companies Act, 2013.  
The Company has received requisite Notices from Members under Section 160 of the Companies Act, 2013 in respect of aforesaid matters as stated at Sr. No 1 and 2, proposing their candidature for the office of Director. The resolutions for appointment of aforementioned Directors along with their brief profile forms part of the Notice of the 8<sup>th</sup> Annual General Meeting.
- c. CS Roshni Shah: The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed CS Roshni Shah as a Company Secretary designated as Key Managerial Personnel and Compliance Officer of the Company with effect from January 23, 2020 at the meeting of Board of Directors of the Company held on January 22, 2020.

### Retirement by Rotation:

In accordance with the Articles of Association and the relevant provisions of the Companies Act, 2013, Mr. Shrenik Vimawala, Managing Director of the Company retires by rotation at the this Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the approval of the Shareholders of the Company.

### Cessation:

- a. Mr. Ashish Modi, Non-Executive Independent Director of the Company resigned from the office of Director with effect from April 1, 2020. Your Directors wish to place on record their sincere appreciation of services rendered and valuable guidance provided by him during his association with the Company.
- b. CS Madhulika Mishra has resigned from the post of Company Secretary and Compliance Officer of the Company with effect from close of business hours of January 22, 2020.

There was no change in the composition of the Board of Directors and Key Managerial Personnel during the year under review, except as stated above.

#### 14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3)(c) and Section 134(5) of the Companies Act, 2013, the Board of Directors confirms that to the best of its knowledge and belief:

- a. In the preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed and there are no material departures;
- b. The directors had 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 at the end of financial year and of the profit of the Company for the financial year ended March 31, 2020;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the Annual Accounts for the financial year ended March 31, 2020 on a going concern basis;
- e. The directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 15. COMMITTEE(S) MEETING

The Company has various committee(s) pursuant to the requirements of the Companies Act, 2013 read with the rules framed there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of the composition of the various committee(s), the number of meetings held and attendance of the committee members are provided in the Corporate Governance Report, which forms part of this Report.

#### 16. ANNUAL RETURN

The extract of the Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form No. MGT – 9 is annexed as **Annexure – 1**, which forms part of this report and the same has also been placed on the company's website [www.shrenik.co.in](http://www.shrenik.co.in).

#### 17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, investment, guarantees and securities covered under the provisions of section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements, which forms part of this Report.

#### 18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES REFERRED IN SECTION 188(1) OF THE COMPANIES ACT, 2013

During the year under review, all the related party transactions were in the ordinary course of business and on arm's length basis. Therefore, the disclosure in Form AOC-2 pursuant to compliance of Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

There were no materially significant related party transactions with any of the related parties that may have potential conflict with the interest of the Company at large. The disclosures as required are provided in AS-18 which is forming the part of the notes to financial statement.

#### 19. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF). During the year under review, no amount was due for transfer to IEPF in accordance with Section 125 of the Companies Act, 2013.

#### 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as **Annexure – 2**, which forms part of this report.

#### 21. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has a Policy on Corporate Social Responsibility (CSR) and the same has been available on the Company's website [www.shrenik.co.in](http://www.shrenik.co.in). The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure – 3**, which forms part of this Report.

The details of the composition of the CSR committees, the number of meetings held and attendance of the committee members are provided in the Corporate Governance Report, which forms part of this Report.

## 22. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The terms and conditions of the appointment of Independent Directors have been disclosed on the Company's website [www.shrenik.co.in](http://www.shrenik.co.in).

## 23. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a policy to familiarize the Independent Directors with the Company. The Independent Directors are appraised during the Board / Committee(s) meetings on the Company operations, governance, internal control process and other relevant matters. The details of the Familiarization Program are available on Company's website [www.shrenik.co.in](http://www.shrenik.co.in).

## 24. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried the evaluation of its own performance, performance of Individual Directors including Independent Directors, Board Committees, including the Chairman of the Board on the basis of attendance, contribution towards development of the Business and various other criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in separate meetings of Independent Directors. The same was also discussed in the meetings of Nomination and Remuneration Committee of the Company.

## 25. NOMINATION AND REMUNERATION POLICY

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is available on the Company's website [www.shrenik.co.in](http://www.shrenik.co.in).

## 26. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has its Internal Financial Control systems commensurate with operations of the Company. The management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors and the accuracy and completeness of the accounting records including timely preparation of reliable financial information.

The Head of Internal Audit together with External Audit consults and reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects.

## 27. RISK MANAGEMENT POLICY OF THE COMPANY

The Company has framed and adopted a Risk Management Policy to identify, monitor, minimize and mitigate risks and determine the responses to various risks to minimize their adverse impact on the organization. The executive management oversees the risk management framework and the Audit Committee evaluates Internal Financial Controls and Risk Management Systems. However, the details of risk management objectives and policies made by the Company in accordance with the provision of the Act. In the opinion of Board, there are no risk which may threaten the existence of the Company. The Risk Management Policy is placed on the Company's website at [www.shrenik.co.in](http://www.shrenik.co.in).

**28. AUDITORS****A. STATUTORY AUDITORS**

M/s Singhi & Co., Chartered Accountants, (Firm's Registration No. 302049E), were appointed as the Statutory Auditors of the Company for the period of five (5) years from the conclusion of the 6<sup>th</sup> Annual General Meeting to hold office till the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company, subject to ratification of their appointment by the Shareholders at every Annual General Meeting. The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, had dispensed with the requirement of ratification of appointment of Statutory Auditors by the Shareholders at every Annual General Meeting. Hence, the resolution relating to ratification of appointment of Statutory Auditors is not included in the Notice of the ensuing Annual General Meeting.

The remarks of Statutory Auditors are self-explanatory and the report of the Statutory Auditors have been enclosed, which forms part of this Report.

**B. COST AUDITORS**

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain the Cost Records and Cost Accounts. Hence, the appointment of Cost Auditors is not applicable to the Company.

**C. SECRETARIAL AUDITORS**

Pursuant to the provision of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Premal Shah and Company, Practicing Company Secretaries, Ahmedabad to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as **Annexure – 4**, which forms part of this report.

The Secretarial Audit Report for the year ended on March 31, 2020 does not contain any qualifications, reservations or adverse remarks.

**29. REPORTING OF FRAUD BY AUDITORS**

There have been no instances of fraud reported by the Auditors u/s 143 (12) of the Companies Act, 2013 and rules framed thereunder either to the Company or to the Central Government.

**30. PARTICULARS OF EMPLOYEES**

In line with the provisions of Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The statement containing information as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure – 5** and forms part of this report.

**31. CORPORATE GOVERNANCE**

As required under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a report on Corporate Governance for the financial year ended March 31, 2020 along with Certificate from Practicing Company Secretary confirming compliance of conditions of Corporate Governance is annexed herewith as **Annexure – 6**, which forms part of this report.

**32. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the as required under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed herewith as **Annexure – 7**, which forms part of this report.

**33. VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

The Company has adopted Vigil Mechanism and Whistle Blower policy to provide a formal mechanism for the directors and employees to disclose their concerns and grievances on unethical behavior and improper/illegal practices and wrongful conduct taking place in the Company for appropriate action. Through this mechanisms, the Company provides necessary safeguards to all such persons for making sheltered disclosures in good faith. It is hereby affirmed that no personnel have been denied access to the Audit Committee. The Vigil Mechanism and Whistle Blower policy has been placed on the Company's website: [www.shrenik.co.in](http://www.shrenik.co.in).

### 34. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant and material orders issued against the Company by any regulating authority or court or tribunal during the year that could affect the going concern status and Company's operation in future.

### 35. SHARE CAPITAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16 of Companies (Share Capital and Debentures) Rules, 2014.
- b. Issue of sweat equity shares in accordance with the provisions of Section 54 of Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.
- c. Issue of equity shares with differential rights as per Rule 4 of Companies (Share Capital and Debentures) Rules, 2014.
- d. Issue of employee stock options scheme as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

### 36. ARTICLES OF ASSOCIATION

The Board of Directors has recommended the alteration of the Articles of Association of the Company in their meeting held May 30, 2019 and approved by the Shareholders of the Company by passing special resolution via Postal Ballot Process.

### 37. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has constituted Policy on Prevention of Sexual Harassment of Women at work place in line with the requirements of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. Your Directors state that during the year under review, there were no complaints relating to sexual harassment nor any cases filed pursuant to the said Act.

### 38. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to the Customers, Vendors, Stakeholders, Banks, Regulatory Bodies, Financial Institutions and other Business Associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

For and on behalf of the Board

Date :- August 24, 2020  
Place :- Ahmedabad

**Shrenik Vimawala**  
Chairman & Managing Director  
DIN: - 03474255