

# THE WEST COAST PAPER MILLS LTD.,

[formerly known as THE WEST COAST PAPER MILLS LTD.,]

Registered & Works Office : Post Box No. 5, Bangur Nagar, Dandeli-581 325

Dist Uttar Kannada (Karnataka) - India

CORPORATE IDENTITY NO : L02101KA1955PLC001936 website : www.westcoastpaper.com

Ph : (08284) 231391 - 395 (5 lines) Fax : 08284 - 231225 (Admn. Office) 230443 (Works Office)



ZZK:Share:08:

September 05, 2017

BSE Limited  
Corporate Services  
Floor 25, P.J.Towers,  
Dalal Street  
**MUMBAI – 400 001**

National Stock Exchange of India Ltd.  
Listing Department  
Exchange Plaza  
Bandra-Kurla Complex,  
Bandra [East]  
**MUMBAI-400 051**

Scrip Code : **500444**

Scrip Code : **WSTCSTPAPR**

Dear Sirs,


**Sub : Annual Report – FY 2016-17**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we enclose herewith Annual Report of the Company for the FY 2016-17.

Please take the same on record.

Thanking you,

Yours faithfully,  
For West Coast Paper Mills Ltd.

  
Brajmohan Prasad  
Company Secretary  
M.No.7492

Encl.a.a



Corporate Office : 31, Chowringhee Road, Kolkata - 700 016

Phone : (033) 2265 6271-78 (8 lines), Fax : (033) 2226 5242.

E-mail : wcpm.sale@westcoastpaper.com



**WEST COAST PAPER MILLS LIMITED**

*Your partner in progress ...*



PASSION TO ACHIEVE

ANNUAL REPORT 2016-17



IPMA ENVIRONMENT AWARD 2015-16 AWARDED TO WEST COAST PAPER



WESCO SPORTS CARNIVAL ORGANISED BY WEST COAST PAPER

### FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements -written and oral-that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identifying such statements by using words such as 'anticipates,' 'estimate', 'aspects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe, we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialized, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Reader should bear this in their mind. We undertake no obligation to publicly updated any forward looking statements, whether as a results of news information, future events or otherwise.

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## Corporate Information

### BOARD OF DIRECTORS

Shri S. K. Bangur, Chairman & Managing Director  
Shri Saurabh Bangur, Vice Chairman  
Smt. Shashi Bangur  
Shri P. N. Kapadia  
Lt. Gen.[Retd.] Utpal Bhattacharyya  
Shri Krishna Kumar Karwa  
Shri M. P. Taparia  
Shri Amitav Kothari  
Shri Rajendra Jain, Executive Director

### MANAGEMENT TEAM

#### Paper and Duplex Board Division

Shri B. H. Rathi, President (Technical)  
Shri B. K. Bhuyan, Senior Vice-President (PD & P)  
Shri S. N. Patil, Vice-President (Human Resource)  
Shri Vimal Arora, Vice-President (Finance & Accounts)  
Shri P. C. Maloo, Vice-President (Marketing)  
Shri V. V. Aravindakshan, Vice-President (Projects)

#### Telecom Cable Division

Shri V. Bangur, Chief Executive  
Shri Anil Tanwani, Chief Executive Officer  
Shri Raghu Nair, Vice-President (Works)

### COMPANY SECRETARY

Shri Brajmohan Prasad

### BANKERS

Central Bank of India  
State Bank of Mysore (now it is SBI)  
Syndicate Bank  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Standard Chartered Bank  
Axis Bank Ltd.

### STATUTORY AUDITORS

Batliboi & Purohit, Mumbai

### COST AUDITOR

Shri Umesh N. Kini, Sirsi

### SECRETARIAL AUDITOR

Shri Naman Gurumurthi Joshi, Bangalore

### INTERNAL AUDITOR

Shri Rajesh Bothra

### LEGAL ADVISORS

Khaitan & Co., Mumbai

### REGISTERED OFFICE

Bangur Nagar, Dandeli – 581 325  
District. Uttar Kannada, Karnataka  
Phone : (08284) 231 391-395 Fax : (08284) 231 225  
E-mail : co.sec@westcoastpaper.com

### CORPORATE OFFICE & EAST ZONE

31, Chowringhee Road  
(Park street crossing)  
Kolkata – 700 016  
Phone : (033) 2265 6271 (8 Lines)  
Fax : (033) 2226 5242  
E-mail : wcpm.east@westcoastpaper.com

### ZONAL OFFICES

#### North Zone

Vishnu Bhavan, 1st Floor, 5 Ansari Road  
Daryaganj, New Delhi – 110 002  
Phone : (011) 2326 9806, 2327 3679, 2324 6254  
Fax : (011) 2328 4913  
E-mail : wcpm.north@westcoastpaper.com

#### West Zone

Shreeniwas House  
H. Somani Marg, Fort, Mumbai - 400 001  
Phone : (022) 2207 0041-44  
Fax : (022) 2207 0001  
E-mail : wcpm.west@westcoastpaper.com

#### South Zone -1

Flat No.7, 12/13, Kanakasri Nagar  
St. George Cathedral Lane  
Off Cathedral Road, Chennai - 600 086  
Phone : (044) 2811 1654, 2811 1299, 4235 9709  
Fax : (044) 2811 7013  
E-mail : wcpm.south@westcoastpaper.com

#### South Zone -2

Chandrakiran, 4th Floor, 10/A, Kasturba Road  
Bangalore - 560 001  
Phone : (080) 2223 1828-1831  
Fax : (080) 2223 1838  
E-mail : wcpm.marketing1@westcoastpaper.com

#### South Zone -3

2-2-51/119, 3rd Floor (302,303),  
Mittal Chambers, M.G. Road,  
Secunderabad – 500 003  
Phone : (040) 4027 6854  
E-mail : ssrao@westcoastpaper.com

### TELECOM CABLE DIVISION

#### West Coast Optilinks (Sudarshan Telecom)

Plot No. 386/387, KIADB, Electronic City  
Hebbal Industrial Area, Mysore – 570 016  
Phone : (0821) 240 4060, Fax : (0821) 240 4061  
E-mail : info@westcoastoptilinks.com

Company website : [www.westcoastpaper.com](http://www.westcoastpaper.com)



## Ten Year Highlights

		2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>PRODUCTION</b>											
PAPER/PAPER BOARD & MULTILAYER BOARD	TONNES	313311	306960	300514	310002	317808	308230	267005	173638	173682	169891
OPTICAL FIBRE CABLE	Km	29802	42989	30438	20686	20242	20184	27951	18003	16787	22829
JFTC	Ckm	–	–	–	–	–	–	78	–	–	–
CONTROL CABLE	Ckm	–	–	–	–	–	341	251	14	–	–
<b>SALES</b>											
PAPER/PAPER BOARD & MULTILAYER BOARD	TONNES	317951	315146	302978	298682	321018	305818	267992	175194	170686	170193
OPTICAL FIBRE CABLE	Km	30936	40545	30368	21053	20161	20308	27985	17790	16762	22836
JFTC	Ckm	–	–	–	–	–	–	78	–	–	119
CONTROL CABLE	Ckm	–	–	–	–	–	337	248	14	–	–
<b>OPERATING RESULTS</b>											
TURNOVER	₹/Lakhs	187028	179953	174715	165483	154125	136620	110887	65050	66271	65352
PBDT	₹/Lakhs	28272	18927	17853	14114	20084	15866	18919	10524	12036	11438
DEPRECIATION	₹/Lakhs	11077	11081	12220	12719	17629	20535	9610	2377	1990	2043
EXCEPTIONAL ITEMS	₹/Lakhs	–	5324	5160	–	–	–	–	–	–	–
TAXATION	₹/Lakhs	3654	598	–	166	372	–	1900	1400	1149	1095
MAT CREDIT ENTITLEMENT	₹/Lakhs	(3654)	(598)	–	(154)	(335)	–	(1809)	(1370)	–	–
DEFERRED TAX	₹/Lakhs	4938	1637	362	720	607	(1314)	210	2647	(157)	110
NET PROFIT/(LOSS)	₹/Lakhs	12258	885	111	663	1811	(3356)	9008	5470	9054	8190
DIVIDEND	₹/Lakhs	1651	660	–	660	660	206	1807	1807	1258	1721
<b>FINANCIAL POSITION</b>											
GROSS BLOCK	₹/Lakhs	215871	210374	207934	205632	201596	198706	185045	186542	161798	80141
DEPRECIATION	₹/Lakhs	115432	104040	93035	80866	69565	52570	32205	31290	29112	27022
NET BLOCK	₹/Lakhs	100439	106334	114899	124766	132031	146136	152840	155252	132686	53119
PAID UP CAPITAL	₹/Lakhs	1321	1321	1321	1321	1321	1255	7755	7755	7708	1425
RESERVES & SURPLUS	₹/Lakhs	62594	58547	58456	58345	58455	55698	59293	52378	49070	38771
NET WORTH	₹/Lakhs	63915	59868	59777	59666	59776	56953	67048	60133	56778	40196
BORROWINGS	₹/Lakhs	49986	74393	91042	106608	108063	126365	121246	123471	117365	40616
CAPITAL EMPLOYED	₹/Lakhs	113901	134261	150819	166274	167839	183318	188294	183604	174143	80812
<b>SOME SELECTED RATIOS</b>											
EARNINGS PER SHARE (₹ 2) (BASIC)	₹	19.46	1.34	0.17	1	9	4	14	9	16	17
BOOK VALUE PER SHARE	₹	97	91	91	90	91	91	107	96	94	70
DIVIDEND [EQUITY SHARES]	%	125	50	–	50	50	10	100	100	100	150
DEBT EQUITY RATIO		44:56	55:45	60:40	64:36	64:36	69:31	64:36	67:33	67:33	50:50

\*As per Ind.AS



## Directors' Report

Your Directors are pleased to present the 62nd Annual Report of your Company, together with the audited financial statements for the year ended 31st March 2017.

### FINANCIAL RESULTS :

Financial Results of the Company for the year under review along with the figures for previous year are as follows (As per Ind AS):

Particulars	31st March, 2017	31st March, 2016
	(₹ in Lakhs)	
Profit Before Finance Cost and Depreciation (PBIDT)	33,429.78	20,218.96
Finance Cost	5,157.25	7,580.68
Profit Before Depreciation and Tax (PBDT)	28,272.53	12,638.28
Depreciation	11,076.87	11,436.16
Tax Expenses	4,937.68	1,426.07
Profit/(Loss) after Tax (Net of OCI)	12,257.98	(223.95)

### DIVIDEND :

Your Directors are pleased to recommend dividend of ₹ 2.50 per equity share (125 %) for the year ended 31st March, 2017, subject to shareholders' approval at the forthcoming Annual General Meeting.

### PERFORMANCE :

The performance of the Company during the year under review has been satisfactory compared to previous year. This working is mainly due to increase in production and sales of Paper and Paperboard coupled with decrease in input cost of mainly Wood/Chips. However employee wage bill has increased mainly due to impact of wage revision and VDA hike etc.

The Company is continuously focusing on improving operating efficiencies and minimizing cost for better financial performance.

The Company posted gross profit (PBDT) of ₹ 282.73 Crores as against ₹ 126.38 Crores in the previous year (after considering Exceptional Items of ₹ 53.24 Crores) higher by ₹ 156.35 Crores (124%) whereas there was a net profit of ₹ 122.58 Crores as against loss of ₹ (2.24) Crores in the previous year as per Ind AS.

### DIVISION WISE PERFORMANCE :

#### Paper and Paperboard Division, Dandeli

The production of Paper, Paperboard and Hardwood Pulp was 3,13,311 MT (98% capacity utilization) during the year against 3,06,960 MT in the last year (96% capacity utilization) i.e., higher by 6,351 MT. The sale of Paper, Paperboard and Hardwood Pulp was 3,17,951 MT during the year against 3,15,146 MT in the last year i.e., higher by 2,805 MT. The turnover during the year was ₹ 1,794.77 Crores as against ₹ 1,713.36 Crores in the last year (both inclusive of excise duty), i.e., higher by ₹ 81.41 Crores, mainly due to higher sales quantity.

#### Cable Division, Mysore

The production of Optical Fibre Cable was 29,802 kms during the year against 42,989 kms in last year, thereby lower production by 13,187 kms. The sale of Optical Fibre Cable was 30,936 kms during the year as against 40,545 kms in last year. The turnover was ₹ 75.37 Crores during the year as against ₹ 85.95 Crores in the last year (both inclusive of excise duty) i.e., lower by ₹ 10.58 Crores.

### EXPORTS :

Export of Paper, Paperboard and Duplex Board during the year was 4,702 MT worth ₹ 24.72 Crores (FOB) as against 6,182 MT worth ₹ 33.24 Crores in last year. Similarly 1,541 kms of cable worth ₹ 1.18 Crores was exported as compared to 735 kms of cable worth ₹ 0.76 Crores in the last year.

### RAW MATERIALS :

In order to meet out the shortfall of wood availability locally, company is continuing usage of imported woodchips during the year under review. Company consumed 4.52 lakhs MT Indigenous Pulpwood and 4.42 lakhs MT Imported Chips (i.e. 51% and 49%).





## Directors' Report (Contd.)

In order to continue ensure long term availability of raw material, the Company continue to focus on Captive Plantation Project and on social forestry. Total cultivated/plantation area is around 49425 acres of land so far within a radius of 200-250 km from Dandeli, as to enhance the availability of pulpwood. The company is also distributing seedlings to the farmers at concessional rates so that plantations are taken up by them without any commitment for its supply to the company. This will increase the overall availability of raw material for the industry.

### EXCHANGE RATE VARIATION :

The Company has reinstated Foreign Currency Loans/External Commercial Borrowings of USD 11.76 Million at the exchange rate prevailing as on 31st March 2017 and the exchange rate difference of ₹ 29.28 Crores has been added to the cost of Fixed Assets, as per Accounting Standard AS-11(Ind.AS 21) issued vide Notification No.G.S.R. 225(E) dated 31.03.2009 (as last amended vide Notification No GSR 913 (E) dated 29.12.2011) by the Ministry of Corporate Affairs.

### RISK MANAGEMENT POLICY :

The Board of Directors had adopted risk policy for Forex exposure in the meeting held on 28.06.2004. The foreign exchange exposure of the Company is reviewed from time to time by the Board. The Company has taken Operational Large Risk Insurance Policy to insure its fixed assets and inputs which cover known and unknown risk including Fire and Loss of Profit.

### RELATED PARTY DISCLOSURE AND TRANSACTIONS :

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons.

All related party transactions are placed before the Audit Committee and also the Board for approval. The details of related party disclosure and transactions as required by the Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements.

The Company has developed a related party transaction policy for the purpose of identification and monitoring of such transactions. The policy on related party transactions as approved by the Board is available on the Company's website: [www.westcoastpaper.com](http://www.westcoastpaper.com).

### EXTRACT OF THE ANNUAL RETURN :

Extract of the Annual Return in the Form No. MGT 9 is attached and forms a part of this report.

### CORPORATE SOCIAL RESPONSIBILITY :

Your Company has framed a Corporate Social Responsibility (CSR) Policy to oversee the CSR activities initiated by the Company during the financial year under review as required under Section 135 of the Companies Act, 2013. Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR in the prescribed format is attached and forms a part of this report & policy may be accessed on the Company's website: [www.westcoastpaper.com](http://www.westcoastpaper.com).

### MEETINGS OF THE BOARD :

During the year under review, five Board Meetings held and details thereof are mentioned in the Report on Corporate Governance forming part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-Section (3) of Section 178 the Companies Act, 2013 is as below :

#### The appointment policy for Independent Directors, Key Managerial Personnel & Senior Executives is as under-

##### (A) Independent Directors:

Independent Directors will be appointed based on the criteria mentioned under section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, rules made there under & Listing Agreements entered with Stock Exchanges.

##### (B) Key Managerial Personnel (KMP):

KMP will be appointed by the resolution of the board of directors of the company, based on the qualification, experience and exposure in the prescribed fields. Removal of the KMP will also be done by the Resolution of the



## Directors' Report (Contd.)

Board of Directors of the Company. Appointment/Removal will be in accordance with provisions of the Companies Act, 2013, rules made there under & Listing Agreements entered with Stock Exchanges.

### **(C) Senior Executives :**

Senior Executives will be appointed by the Chairman & Managing Director and/or Executive Director of the Company based on their qualification, experience & exposure. Removal of the Senior Executives will also be by Chairman & Managing Director and/or Executive Director. Further, appointment & removal will be noted by the Board as required under clause 8(3) of Companies (Meetings of Board and its Powers) Rules, 2014.

### **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS :**

Criteria for performance evaluation of Independent Directors as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, also form part of this Report.

### **MANAGERIAL REMUNERATION :**

The requisite details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith forming part of this Report.

### **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/OUTGO :**

The information required under Section 134(3)(m) of the Companies Act, 2013 is annexed hereto and forms a part of this Report.

### **PARTICULARS OF EMPLOYEES :**

The particulars of employees, as required under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in a separate Annexure to this Report.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS :**

A comprehensive Management's Discussion and Analysis Report, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached and forms a part of this Report.

### **CORPORATE GOVERNANCE :**

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report is made a part of this Report.

A certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached with this Report.

The Company is complying with Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance and reports to that effect are being regularly filed with the Stock Exchanges. The Company has obtained declaration from the Directors and Senior Management members of the Company for compliance of Code of Conduct and the Certificate from CEO/CFO was placed before the Board of Directors at the meeting held on 25.05.2017.

### **DIRECTORS' RESPONSIBILITY STATEMENT :**

The Directors' Responsibility Statement, as required under Section 134(5) of the Companies Act, 2013, is attached and forms a part of this Report.

### **DIRECTORS :**

During the year under review as per the provisions of the Companies Act, 2013, Shri Amitav Kothari and Shri P.N.Kapadia were appointed as Independent Directors and Shri Saurabh Bangur will retire from the office by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The notice convening the AGM includes the proposal for reappointment of Director.

### **COMPANY SECRETARY :**

During the year Shri Brajmohan Prasad, appointed as Company Secretary of the Company with effect from 22.07.2016.





## Directors' Report (Contd.)

### DECLARATION BY DIRECTORS :

The Company has received declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 in respect of meeting the criteria of independence provided under Section 149(6) of the said Act.

### REPORTING OF FRAUDS :

The auditors of the company have not reported any fraud as specified under the 2nd proviso to section 143(12) of the Companies Act, 2013.

### BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. The manner of evaluation has been explained in the Corporate Governance Report.

### SHARE CAPITAL :

The paid up Equity Share Capital as on 31st March, 2017 was ₹ 1320.98 lakhs comprising of 6,60,48,908 Equity Shares of ₹ 2/- each. During the year under review, the Company has not issued any further shares to the members or general public.

### RATING :

Credit Rating of the Company has been upgraded during the year by India Ratings and Research Limited (Fitch Group) and Credit Analysis & Research Limited(CARE) as under:-

- i. a) CARE A: Stable Outlook for Long Term Bank facility.  
b) CARE A1 for Short Term Bank facility.
- ii. a) IND A': Stable Outlook for Long Term Bank facility.  
b) IND A1' for Short Term Bank facility.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS :

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements.

### FAMILIARIZATION POLICY :

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

### VIGIL MECHANISM/WHISTLE BLOWER POLICY :

The vigil mechanism of the Company incorporates a policy under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 7 of the Companies (Meetings of the Board and its Powers) Rules 2014, provide the mechanism for Employees and Directors of the Company to approach the Executive Directors and the Chairman of the Audit Committee of the Board. Protected disclosures can be made by a Whistle Blower by means of e-mail or telephone or letter to the Executive Director or to the Chairman of the Audit Committee. The policy on Vigil Mechanism may be accessed on the Company's website : [www.westcoastpaper.com](http://www.westcoastpaper.com).

### BUSINESS RISK MANAGEMENT :

Pursuant to Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a framework to inform the Board about the particulars of Risks Assessment and Minimization Procedures (Risks Management) Plan. The Risks Management Plan is available on the website of the Company.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :

There are no significant and material orders passed by the Regulators or Courts, which would impact the status of the Company and its future operations.

### AUDITORS' REPORT :

The Notes on Accounts and the observations of the Auditors in their Report on the Accounts of the Company are self explanatory and in the opinion of the Directors, do not call for any clarifications.



## Directors' Report (Contd.)

### AUDITORS :

#### a. Statutory Auditors and their Report

Messers Batliboi & Purohit, Chartered Accountants, Mumbai will retire at the end of the 62nd Annual General Meeting of the Company pursuant the provision for rotation under section 139(2) of the Companies Act, 2013 and Rule 6 of the Companies (Audit and Auditors )Rules, 2014, not eligible for reappointment for the ensuing year. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

#### b. Appointment of Statutory Auditors

Pursuant to provisions under Section 139 of the Companies Act, 2013, the Audit Committee of the Board recommended in its meeting held on 25th May, 2017 Messers Singhi & Co., Chartered Accountants, Kolkata appointment as Statutory Auditors of the Company for a period of five years, thereafter Board of Directors considered the recommendation of Audit Committee in its meeting held on 25th May, 2017 and further recommended their appointment subject to approval of the Shareholders in the ensuing Annual General Meeting.

#### c. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Mr. Naman Gurumurthi Joshi, Bangalore, practicing Company Secretary as Secretarial Auditor to carry out Secretarial Audit of the records maintained by the Company for the Financial Year 2016-17. The Report given by him for the said financial year in the prescribed form No: MR 3 is annexed to this report.

#### d. Cost Auditor and Cost Audit Report

Pursuant to revised order of the Central Government dated 31.12.2014 Cost Audit of the cost records of the Company is mandatory from the financial year starting 1st April 2015 and Shri Umesh N. Kini, Sirsi, Cost Accountant has been re-appointed as Cost Auditor of the Company to conduct Cost Audit of cost records maintained by the Company for the Financial Year 2017-18. Accordingly matter relating to the appointment and remuneration will be placed in next Annual General Meeting.

### INTERNAL CONTROL SYSTEM :

There are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inputs, availing of services, fixed assets, for the sale of goods and providing of services. Full fledged Internal Audit department carries out pre and post audit of all significant transactions throughout the year. Based on the Annual Internal Audit programme as approved by Audit Committee of Board, regular internal audits are conducted. Company has also appointed M/s S.S.Kothari Mehta & Co., Chartered Accountants, New Delhi (outsourced) as Internal Auditor. Findings are placed before Audit Committee, which reviews and discuss the actions taken with the Management.

### INDUSTRIAL RELATIONS :

Industrial Relations remained cordial throughout the year under review. The Company has entered into a tripartite long-term wage revision settlement with Joint Negotiation Committee of Unions on 04.05.2016 for the period from 01.01.2015 to 31.12.2018. Your Directors appreciate the support and co-operation from employees at all levels.

### ACKNOWLEDGEMENT :

Your Directors would like to express their sincere appreciation and thanks to the Central and State Governments, Banks, Financial Institutions, Customers, Suppliers and Shareholders for their continued support and co-operations.

Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees of the company, who have contributed significantly towards the Company's performance and growth.

For and on behalf of the Board

Place : Mumbai  
Date : 25th May, 2017

**Rajendra Jain**  
(Executive Director)

**M. P. Taparia**  
(Director)



## Annexure to Directors' Report

### FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i) CIN	:	L02101KA1955PLC001936
ii) Registration Date	:	25.03.1955
iii) Name of the Company	:	West Coast Paper Mills Limited
iv) Category / Sub-Category of the Company	:	Public Limited
v) Address of the Registered office and contact details	:	PB No. 5, Bangur Nagar Dandeli - 581 325, Karnataka Telephone: (08284) 231 391 to 395 (5 lines) Fax No. : (08284) 231 225
vi) Whether listed company	:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any.	:	Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli West, MUMBAI - 400 083 Tel. : (022) 4918 6000; Fax No.: (022) 4918 6060 E-mail: rnthelpdesk@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1.	Paper & Paper Board	170	95.63
2.	Optical Fibre Cable	273	4.02

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Fort Gloster Industries Ltd.	L17232WB1890PLC000627	Associate	33.05	2(6)
2.	Speciality Coatings and Laminations Ltd.	U74899DL1993PLC052430	Associate	37.33	2(6)



## Annexure to Directors' Report (Contd.)

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category - wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>(A)</b>	<b>Promoters</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	7939726	0	7939726	12.02	8315296	0	8315296	12.59	0.57
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	28540579	0	28540579	43.21	28540579	0	28540579	43.21	0.00
(e)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(1)</b>	<b>36480305</b>	<b>0</b>	<b>36480305</b>	<b>55.23</b>	<b>36855875</b>	<b>0</b>	<b>36855875</b>	<b>55.80</b>	<b>0.57</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)				0.00					0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>36480305</b>	<b>0</b>	<b>36480305</b>	<b>55.23</b>	<b>36855875</b>	<b>0</b>	<b>36855875</b>	<b>55.80</b>	<b>0.57</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds	4438220	1000	4439220	6.72	6386942	1000	6387942	9.67	2.95
(b)	Banks/Financial Institutions	28013	25850	53863	0.08	45634	25850	71484	0.11	0.03
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	2225293	0	2225293	3.37	1637035	0	1637035	2.48	-0.89
(g)	FII/ Foreign Portfolio Investors	0	0	0	0.00	2248024	0	2248024	3.40	3.40
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Other - UTI	0	600	600	0.00	0	600	600	0.00	0.00
	<b>Sub Total (B)(1)</b>	<b>6691526</b>	<b>27450</b>	<b>6718976</b>	<b>10.17</b>	<b>10317635</b>	<b>27450</b>	<b>10345085</b>	<b>15.66</b>	<b>5.49</b>



## Annexure to Directors' Report (Contd.)

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
[2]	<b>Non-Institutions</b>									
(a)	Bodies Corporate									
	(i) Indian	4632229	22000	4654229	7.05	3698378	22000	3720378	5.63	-1.42
	(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12045594	1613361	13658955	20.68	9374992	1567749	10942741	16.57	-4.11
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2608004	0	2608004	3.95	2890693	0	2890693	4.38	0.43
(c)	Others(specify)									
	Clearing Member	642080	0	642080	0.97	271878	0	271878	0.41	-0.56
	Foreign Nationals	12050	0	12050	0.02	12550	0	12550	0.02	0.00
	Hindu Undivided Family	991943	650	992593	1.50	811769	650	812419	1.23	-0.27
	Non Resident Indians	249816	29450	279266	0.42	165439	29450	194889	0.30	-0.12
	Trusts	2450	0	2450	0.00	2400	0	2400	0.00	0.00
	<b>Sub Total (B)(2)</b>	<b>21184166</b>	<b>1665461</b>	<b>22849627</b>	<b>34.60</b>	<b>17228099</b>	<b>1619849</b>	<b>18847948</b>	<b>28.54</b>	<b>-6.06</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>27875692</b>	<b>1692911</b>	<b>29568603</b>	<b>44.77</b>	<b>27545734</b>	<b>1647299</b>	<b>29193033</b>	<b>44.20</b>	<b>-0.57</b>
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Grand Total (A)+(B)+(C)</b>	<b>64355997</b>	<b>1692911</b>	<b>66048908</b>	<b>100.00</b>	<b>64401609</b>	<b>1647299</b>	<b>66048908</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Shri Shree Kumar Bangur	2576979	3.90	0.00	2617979	3.96	0.00	0.06
2	Smt. Shashi Devi Bangur	1982507	3.00	0.00	2087051	3.16	0.00	0.16
3	Shri Saurabh Bangur	1315730	1.99	0.28	1451730	2.20	0.28	0.21
4	Shri Virendraa Bangur	987247	1.49	0.00	1081273	1.64	0.00	0.15
5	Smt. Bharti Bangur	122300	0.19	0.00	122300	0.19	0.00	0.00
6	Master Aaryan Bangur	62300	0.09	0.00	62300	0.09	0.00	0.00
7	Master Ankit Bangur	62300	0.09	0.00	62300	0.09	0.00	0.00
8	Master Shrivatsa Bangur	62300	0.09	0.00	62300	0.09	0.00	0.00
9	Rangnath Shree Kumar (HUF)	613063	0.93	0.00	613063	0.93	0.00	0.00
10	Shree Kumar Virendra Kumar (HUF)	155000	0.23	0.00	155000	0.23	0.00	0.00



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
11	Shree Satyanarayan Investments Company Limited	10312973	15.61	0.00	10312973	15.61	0.00	0.00
12	Veer Enterprises Limited	10597100	16.04	0.00	10597100	16.04	0.00	0.00
13	Orbit Udyog Pvt Ltd	2384855	3.61	0.00	2384855	3.61	0.00	0.00
14	Saumya Trade And Fiscal Services Pvt Ltd	2071309	3.14	0.00	2071309	3.14	0.00	0.00
15	Union Company Limited	4450	0.01	0.00	4450	0.01	0.00	0.00
16	Mothola Company Ltd.	77700	0.12	0.00	77700	0.12	0.00	0.00
17	The Indra Company Limited	15750	0.02	0.00	15750	0.02	0.00	0.00
18	The Diamond Company Limited	1953197	2.96	0.00	1953197	2.96	0.00	0.00
19	Kilkotagiri And Thirumbadi Plantations Limited *	464200	0.70	0.00	464200	0.70	0.00	0.00
20	Amrit- Villa Investments Limited	11500	0.02	0.00	11500	0.02	0.00	0.00
21	Gold Mohore Investment Co Ltd	647545	0.98	0.00	647545	0.98	0.00	0.00
	<b>Total</b>	<b>36480305</b>	<b>55.23</b>	<b>0.28</b>	<b>36855875</b>	<b>55.80</b>	<b>0.28</b>	<b>0.57</b>

\*formerly "The Thirumbadi Rubber Company Ltd."

## (iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/Decrease in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Shri Shree Kumar Bangur	2576979	3.90				
	Transfer			30 Dec 2016	10000	2586979	3.92
	Transfer			06 Jan 2017	5000	2591979	3.92
	Transfer			24 Feb 2017	5000	2596979	3.93
	Transfer			10 Mar 2017	10000	2606979	3.95
	Transfer			24 Mar 2017	5000	2611979	3.95
	Transfer			31 Mar 2017	6000	2617979	3.96
	At the end of the year					2617979	3.96





## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/ Decrease in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
2	Smt. Shashi Devi Bangur	1982507	3.00				
	Transfer			10 Jun 2016	7578	1990085	3.01
	Transfer			17 Jun 2016	14732	2004817	3.04
	Transfer			24 Jun 2016	3657	2008474	3.04
	Transfer			30 Jun 2016	16343	2024817	3.07
	Transfer			15 Jul 2016	28295	2053112	3.11
	Transfer			22 Jul 2016	21439	2074551	3.14
	Transfer			29 Jul 2016	6000	2080551	3.15
	Transfer			19 Aug 2016	6500	2087051	3.16
	At the end of the year					2087051	3.16
3	Shri Saurabh Bangur	1315730	1.99				
	Transfer			02 Sep 2016	5500	1321230	2.00
	Transfer			23 Sep 2016	24662	1345892	2.04
	Transfer			30 Sep 2016	7260	1353152	2.05
	Transfer			07 Oct 2016	4697	1357849	2.06
	Transfer			14 Oct 2016	6381	1364230	2.07
	Transfer			21 Oct 2016	7231	1371461	2.08
	Transfer			28 Oct 2016	16224	1387685	2.10
	Transfer			04 Nov 2016	6545	1394230	2.11
	Transfer			25 Nov 2016	5000	1399230	2.12
	Transfer			02 Dec 2016	8500	1407730	2.13
	Transfer			23 Dec 2016	13000	1420730	2.15
	Transfer			03 Mar 2017	16000	1436730	2.18
	Transfer			10 Mar 2017	10000	1446730	2.19
	Transfer			31 Mar 2017	5000	1451730	2.20
	At the end of the year					1451730	2.20
4	Shri Virendraa Bangur	987247	1.49				
	Transfer			15 Apr 2016	10000	997247	1.51
	Transfer			22 Apr 2016	10000	1007247	1.53
	Transfer			29 Apr 2016	32730	1039977	1.57
	Transfer			06 May 2016	35328	1075305	1.63
	Transfer			13 May 2016	5968	1081273	1.64
At the end of the year					1081273	1.64	
5	Smt. Bharti Bangur	122300	0.19				
	At the end of the year				No movement	122300	0.19
6	Master Aaryan Bangur	62300	0.09				
	At the end of the year				No movement	62300	0.09
7	Master Ankit Bangur	62300	0.09				
	At the end of the year				No movement	62300	0.09
8	Master Shrivatsa Bangur	62300	0.09				
	At the end of the year				No movement	62300	0.09



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/ Decrease in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
9	Ragnath Shree Kumar (HUF) At the end of the year	613063	0.93		No movement	613063	0.93
10	Shree Kumar Virendra Kumar (HUF) At the end of the year	155000	0.23		No movement	155000	0.23
11	Shree Satyanarayan Investments Company Limited At the end of the year	10312973	15.61		No movement	10312973	15.61
12	Veer Enterprises Limited At the end of the year	10597100	16.04		No movement	10597100	16.04
13	Orbit Udyog Pvt. Ltd. At the end of the year	2384855	3.61		No movement	2384855	3.61
14	Saumya Trade And Fiscal Services Pvt. Ltd. At the end of the year	2071309	3.14		No movement	2071309	3.14
15	Union Company Limited At the end of the year	4450	0.01		No movement	4450	0.01
16	Mothola Company Ltd. At the end of the year	77700	0.12		No movement	77700	0.12
17	The Indra Company Limited At the end of the year	15750	0.02		No movement	15750	0.02
18	The Diamond Company Limited At the end of the year	1953197	2.96		No movement	1953197	2.96
19	Kilkotagiri And Thirumbadi Plantations Limited At the end of the year	464200	0.70		No movement	464200	0.70
20	Amrit- Villa Investments Limited At the end of the year	11500	0.02		No movement	11500	0.02
21	Gold Mohore Investment Co Ltd At the end of the year	647545	0.98		No movement	647545	0.98



## Annexure to Directors' Report (Contd.)

### (iv) Shareholding Pattern of Top Ten Shareholders

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co. Ltd. A/c Reliance Small Cap Fund	3398707	5.15				
	Transfer			08 Apr 2016	508600	3907307	5.92
	Transfer			24 Jun 2016	196750	4104057	6.21
	Transfer			30 Jun 2016	134950	4239007	6.42
	Transfer			08 Jul 2016	17250	4256257	6.44
	Transfer			09 Sep 2016	61945	4318202	6.54
	Transfer			16 Sep 2016	438055	4756257	7.20
	At the end of the year					4756257	7.20
2	L And T Mutual Fund Trustee Ltd-L And T India Value Fund	0	0.00				
	Transfer			13 May 2016	1374641	1374641	2.08
	Transfer			20 May 2016	(5975)	1368666	2.07
	Transfer			10 Jun 2016	(140040)	1228626	1.86
	Transfer			17 Jun 2016	(77685)	1150941	1.74
	Transfer			22 Jul 2016	(74026)	1076915	1.63
	Transfer			29 Jul 2016	(30874)	1046041	1.58
	Transfer			27 Jan 2017	(78687)	967354	1.46
	Transfer			03 Feb 2017	(100000)	867354	1.31
	Transfer			03 Mar 2017	(7498)	859856	1.30
	Transfer			31 Mar 2017	65668	925524	1.40
	At the end of the year					925524	1.40
	3	General Insurance Corporation of India	925230	1.40			
At the end of the year					No movement	925230	1.40
4	CD Equifinance Private Limited	1164320	1.76				
	Transfer			13 May 2016	(520246)	644074	0.98
	Transfer			20 May 2016	32134	676208	1.02
	Transfer			27 May 2016	25850	702058	1.06
	Transfer			03 Jun 2016	(8000)	694058	1.05
	Transfer			08 Jul 2016	1800	695858	1.05
	Transfer			29 Jul 2016	1000	696858	1.06
	Transfer			23 Sep 2016	(3000)	693858	1.05
	Transfer			07 Oct 2016	(7865)	685993	1.04
	Transfer			14 Oct 2016	(19000)	666993	1.01
	Transfer			04 Nov 2016	(6084)	660909	1.00
	Transfer			11 Nov 2016	(2500)	658409	1.00
	Transfer			25 Nov 2016	(4225)	654184	0.99



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
	Transfer			09 Dec 2016	(1581)	652603	0.99
	Transfer			24 Mar 2017	25534	678137	1.03
	At the end of the year					678137	1.03
5	Nirmal Bang Financial Services Pvt. Ltd.	65921	0.10				
	Transfer			08 Apr 2016	520	66441	0.10
	Transfer			15 Apr 2016	45300	111741	0.17
	Transfer			29 Apr 2016	(23381)	88360	0.13
	Transfer			06 May 2016	(64146)	24214	0.04
	Transfer			13 May 2016	(17252)	6962	0.01
	Transfer			20 May 2016	15300	22262	0.03
	Transfer			27 May 2016	(12300)	9962	0.02
	Transfer			03 Jun 2016	1665	11627	0.02
	Transfer			10 Jun 2016	135	11762	0.02
	Transfer			17 Jun 2016	(3300)	8462	0.01
	Transfer			08 Jul 2016	(1500)	6962	0.01
	Transfer			15 Jul 2016	(5462)	1500	0.00
	Transfer			19 Aug 2016	315	1815	0.00
	Transfer			26 Aug 2016	(730)	1085	0.00
	Transfer			09 Sep 2016	(523)	562	0.00
	Transfer			16 Sep 2016	498	1060	0.00
	Transfer			23 Sep 2016	1530	2590	0.00
	Transfer			30 Sep 2016	8770	11360	0.02
	Transfer			07 Oct 2016	(3368)	7992	0.01
	Transfer			14 Oct 2016	(3200)	4792	0.01
	Transfer			21 Oct 2016	(2530)	2262	0.00
	Transfer			28 Oct 2016	(200)	2062	0.00
	Transfer			11 Nov 2016	200	2262	0.00
	Transfer			18 Nov 2016	50	2312	0.00
	Transfer			25 Nov 2016	(50)	2262	0.00
	Transfer			09 Dec 2016	(62)	2200	0.00
	Transfer			20 Jan 2017	(100)	2100	0.00
	Transfer			10 Feb 2017	3518	5618	0.01
	Transfer			17 Feb 2017	47879	53497	0.08
	Transfer			24 Feb 2017	(11053)	42444	0.06
	Transfer			03 Mar 2017	446746	489190	0.74
	Transfer			10 Mar 2017	116936	606126	0.92
	Transfer			17 Mar 2017	(6302)	599824	0.91
	Transfer			24 Mar 2017	(500)	599324	0.91
	Transfer			31 Mar 2017	(100)	599224	0.91
	At the end of the year					599224	0.91



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
6	Sundaram Mutual Fund A/c Sundaram Long Term Micro Cap Tax Advantage Fund Series III	0	0.00				
	Transfer			16 Dec 2016	41562	41562	0.06
	Transfer			23 Dec 2016	7500	49062	0.07
	Transfer			30 Dec 2016	31993	81055	0.12
	Transfer			06 Jan 2017	35549	116604	0.18
	Transfer			13 Jan 2017	26420	143024	0.22
	Transfer			20 Jan 2017	30567	173591	0.26
	Transfer			03 Feb 2017	106869	280460	0.42
	Transfer			10 Feb 2017	180247	460707	0.70
	Transfer			17 Feb 2017	10000	470707	0.71
	Transfer			24 Mar 2017	5082	475789	0.72
	Transfer			31 Mar 2017	46472	522261	0.79
	At the end of the year					522261	0.79
	7	Morgan Stanley Asia (Singapore) Pte.	0	0.00			
Transfer				08 Apr 2016	73501	73501	0.11
Transfer				15 Apr 2016	176499	250000	0.38
Transfer				13 May 2016	200000	450000	0.68
Transfer				16 Dec 2016	(4967)	445033	0.67
Transfer				23 Dec 2016	(2414)	442619	0.67
Transfer				30 Dec 2016	(3344)	439275	0.67
Transfer				06 Jan 2017	(720)	438555	0.66
Transfer				13 Jan 2017	(3969)	434586	0.66
Transfer				20 Jan 2017	(2567)	432019	0.65
Transfer				27 Jan 2017	(2001)	430018	0.65
Transfer				03 Feb 2017	(8177)	421841	0.64
Transfer				10 Feb 2017	(16111)	405730	0.61
Transfer				17 Feb 2017	(1844)	403886	0.61
Transfer				24 Feb 2017	(8022)	395864	0.60
Transfer				03 Mar 2017	(495)	395369	0.60
Transfer				31 Mar 2017	(252)	395117	0.60
At the end of the year						395117	0.60
8	Mitesh N Mehta	40000	0.06				
	Transfer			20 May 2016	40000	80000	0.12
	Transfer			03 Jun 2016	(6000)	74000	0.11
	Transfer			25 Nov 2016	455109	529109	0.80
	Transfer			30 Dec 2016	156000	685109	1.04
	Transfer			06 Jan 2017	(36000)	649109	0.98
	Transfer			13 Jan 2017	(45000)	604109	0.91



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
	Transfer			20 Jan 2017	(9000)	595109	0.90
	Transfer			03 Mar 2017	(20000)	575109	0.87
	Transfer			10 Mar 2017	(36000)	539109	0.82
	Transfer			17 Mar 2017	(18193)	520916	0.79
	Transfer			24 Mar 2017	(83207)	437709	0.66
	Transfer			31 Mar 2017	(80767)	356942	0.54
	At the end of the year					356942	0.54
9	Ajay Upadhyaya	0	0.00				
	Transfer			16 Sep 2016	117100	117100	0.18
	Transfer			23 Sep 2016	2900	120000	0.18
	Transfer			28 Oct 2016	69260	189260	0.29
	Transfer			04 Nov 2016	40740	230000	0.35
	Transfer			11 Nov 2016	49000	279000	0.42
	Transfer			18 Nov 2016	31000	310000	0.47
	Transfer			25 Nov 2016	155000	465000	0.70
	Transfer			30 Dec 2016	10000	475000	0.72
	Transfer			10 Feb 2017	(125000)	350000	0.53
	At the end of the year					350000	0.53
10	Sujata Premal Kapadia	299700	0.45				
	At the end of the year				No movement	299700	0.45

## (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Shri Shree Kumar Bangur	2576979	3.90				
	Transfer			30 Dec 2016	10000	2586979	3.92
	Transfer			06 Jan 2017	5000	2591979	3.92
	Transfer			24 Feb 2017	5000	2596979	3.93
	Transfer			10 Mar 2017	10000	2606979	3.95
	Transfer			24 Mar 2017	5000	2611979	3.95
	Transfer			31 Mar 2017	6000	2617979	3.96
	At the end of the year					2617979	3.96
2	Smt. Shashi Devi Bangur	1982507	3.00				
	Transfer			10 Jun 2016	7578	1990085	3.01
	Transfer			17 Jun 2016	14732	2004817	3.04
	Transfer			24 Jun 2016	3657	2008474	3.04
	Transfer			30 Jun 2016	16343	2024817	3.07





## Annexure to Directors' Report (Contd.)

	Transfer			15 Jul 2016	28295	2053112	3.11
	Transfer			22 Jul 2016	21439	2074551	3.14
	Transfer			29 Jul 2016	6000	2080551	3.15
	Transfer			19 Aug 2016	6500	2087051	3.16
	At the end of the year					2087051	3.16
3	Shri Saurabh Bangur	1315730	1.99				
	Transfer			02 Sep 2016	5500	1321230	2.00
	Transfer			23 Sep 2016	24662	1345892	2.04
	Transfer			30 Sep 2016	7260	1353152	2.05
	Transfer			07 Oct 2016	4697	1357849	2.06
	Transfer			14 Oct 2016	6381	1364230	2.07
	Transfer			21 Oct 2016	7231	1371461	2.08
	Transfer			28 Oct 2016	16224	1387685	2.10
	Transfer			04 Nov 2016	6545	1394230	2.11
	Transfer			25 Nov 2016	5000	1399230	2.12
	Transfer			02 Dec 2016	8500	1407730	2.13
	Transfer			23 Dec 2016	13000	1420730	2.15
	Transfer			03 Mar 2017	16000	1436730	2.18
	Transfer			10 Mar 2017	10000	1446730	2.19
	Transfer			31 Mar 2017	5000	1451730	2.20
	At the end of the year					1451730	2.20

### V. INDEBTEDNESSES

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

(₹ in Lakhs)

Particulars		Secured Loans	Unsecured Loans	Dealer Deposits & Employees security deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	58099.23	16319.07	2804.11	77222.41
ii)	Interest due but not paid	–	–	–	–
iii)	Interest accrued but not due	169.32	–	–	169.32
	<b>Total (i+ii+iii)</b>	<b>58268.55</b>	<b>16319.07</b>	<b>2804.11</b>	<b>77391.73</b>
Change to Indebtedness during the financial year					
	• Addition	–	–	356.36	356.36
	• Reduction	(22636.68)	(1823.72)	–	(24460.40)
	<b>Net Change</b>	<b>(22636.68)</b>	<b>(1823.72)</b>	<b>356.36</b>	<b>(24104.04)</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	35490.16	14495.35	3160.47	53145.98
ii)	Interest due but not paid	–	–	–	–
iii)	Interest accrued but not due	141.71	–	–	141.71
	<b>Total (i+ii+iii)</b>	<b>35631.87</b>	<b>14495.35</b>	<b>3160.47</b>	<b>53287.69</b>



## Annexure to Directors' Report (Contd.)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration of Managing Director, Whole -time Directors and /or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri S K Bangur-CMD	Shri Rajendra Jain-WTD & CFO*	
<b>1</b>	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	115.00	84.99	199.99
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	16.25	7.08	23.33
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	–	–	–
<b>2</b>	Stock option	–	–	–
<b>3</b>	Sweat Equity	–	–	–
<b>4</b>	Commission			
	- As % of profit	676.15**	–	676.15
	- Others, specify	–	–	–
<b>5</b>	Others, please specify (Non taxable)	58.14	39.82	97.96
	<b>Total (A)</b>	<b>865.54</b>	<b>131.89</b>	<b>997.43</b>

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

\* The remuneration paid to Shri Rajendra Jain, who is functioning in the professional capacity, is in line with Clause B of Section II of Part II of Schedule V of the Companies Act, 2013.

\*\* Commission relates to the Financial Year ended 31st March 2017 which will be paid during Financial Year 2017-18.

#### B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Lt.Gen (Retd.) Utpal Bhattacharyya	Shri Krishna Kumar Karwa	Shri M P Taparia	Shri Amitav Kothari	Shri P N Kapadia	Smt. Shashi Bangur	Shri Saurabh Bangur	
<b>1.</b>	<b>Independent Directors</b>								
	- Fee for attending board committee meetings	1.20	0.40	0.30	0.80	0.90	-	-	3.60
	- Commission	–	–	–	–	–	–	–	–
	- Others, please specify	–	–	–	–	–	–	–	–
	<b>Total (1)</b>	<b>1.20</b>	<b>0.40</b>	<b>0.30</b>	<b>0.80</b>	<b>0.90</b>	<b>–</b>	<b>–</b>	<b>3.60</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>								
	- Fee for attending board committee meetings	–	–	–	–	–	0.40	0.40	0.80
	- Commission	–	–	–	–	–	–	–	–
	- Others, please specify	–	–	–	–	–	–	–	–
	<b>Total (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.40</b>	<b>0.40</b>	<b>0.80</b>
	<b>Total (B) = (1+2)</b>	<b>1.20</b>	<b>0.40</b>	<b>0.30</b>	<b>0.80</b>	<b>0.90</b>	<b>0.40</b>	<b>0.40</b>	<b>4.40</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1001.83</b>



## Annexure to Directors' Report (Contd.)

## C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	CEO	Shri Brajmohan Prasad*	CFO	Total
<b>1</b>	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	–	4.30	–	4.30
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	–	0.42	–	0.42
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	–	–	–	–
<b>2</b>	Stock option	–	–	–	–
<b>3</b>	Sweat Equity	–	–	–	–
<b>4</b>	Commission	–	–	–	–
	- As % of profit	–	–	–	–
	- Others, specify	–	–	–	–
<b>5</b>	Others, please specify (Non taxable)	–	1.56	–	1.56
	<b>Total (C)</b>	–	<b>6.28</b>	–	<b>6.28</b>

\* Company Secretary- appointed w.e.f 22.07.2016

## VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES

Particulars	Section of The Companies Act.	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal Made, if any
<b>A. Company</b>	–	–	–	–	–
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>B. Directors</b>	–	–	–	–	–
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>C. Other Officers in default</b>	–	–	–	–	–
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

For and on behalf of the Board

Place : Mumbai  
Date : 25th May, 2017**Rajendra Jain**  
(Executive Director)**M. P. Taparria**  
(Director)



## Annexure to Directors' Report (Contd.)

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs : website : [www.westcoastpaper.com](http://www.westcoastpaper.com)
2. The Composition of the CSR Committee : (1) Shri S.K.Bangur  
(2) Shri Saurabh Bangur  
(3) Shri M. P. Taparia
3. Average net profit of the company for last three financial years : ₹ 2992.87 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 59.86 Lakhs
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year : ₹ 76.19 Lakhs (including previous year actual unspent amount ₹ 16.33 lakhs)
  - b) Amount unspent, if any; : ₹ 37.07 Lakhs
  - c) Manner in which the amount spent during the financial year is detailed below. (₹ in Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay(budget) project or programs wise	Amount spent on the projects or programs Subheads : (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Promotion of Art & culture etc.	Protection and Promotion of national heritage, art and culture, promotion and development of traditional arts, social activities	Rural/Local, Dandeli, Dist : Uttar Kannada, Karnataka/others	8.45	8.45	8.45	Directly/Karavali Utsav/Kali Utsav/ Vanavasi Kalyan Samiti etc.,
2	-do-	-do-	Rural/Local, Dandeli, Dist : Uttar Kannada, Karnataka/others	3.74	3.74	3.74	Directly/Paid to Temples and Trusts
3	Health Care	Promoting health care including preventive health care and sanitation	Rural/Local, Dandeli, Dist : Uttar Kannada, Karnataka	1.56	1.56	1.56	Directly
4	Promotion of Social activities and creation of Infrastructure	Rural development and measures for empowering women and development of socially and economically backward groups	Rural/Local, Dandeli, Tq: Haliyal, Dist : Uttar Kannada, Karnataka	10.19	10.19	10.19	Directly/CMC President Dandeli/ CITU



## Annexure to Directors' Report (Contd.)

(₹ in Lakhs)

5	Safe drinking water	Making available safe drinking water	Rural	3.77	3.77	3.77	Directly
6	Education Initiative/ Udyog Mela	Promoting education, including special education and employment enhancing vocational skills	Local/Rural	3.38	3.38	3.38	Directly/Rotary Club/ Karnataka University Teachers Association
7	Rejuvenation work of water lakes/ cleaning of lakes etc.,	Rural Development projects	Rural	3.62	3.62	3.62	Directly
8	Protection of Natural Resources and Sustainability	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources	Local/Rural	0.16	0.16	0.16	Directly
9	Sports & Games	Training to promote rural sports, nationally recognized sports	Local/Other-Haliyal	4.25	4.25	4.25	Directly/ Rotary Club/ Bankers & Employees Sports Committee
				39.12	39.12	39.12	

\* Give details of implementing agency : **Company itself.**

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.- The Board took all possible initiatives to ensure that the amount of ₹ 76.19 Lakhs be spent on CSR in accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder. However, due to project mode of CSR activity, where the project time extends beyond the financial year, the Company could not spend ₹ 37.07 Lakhs on CSR.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company. : **Yes. It is in Compliance.**

Place : Kolkata  
Date : 09th May, 2017

**Saurabh Bangur**  
(Vice Chairman)

**S.K.Bangur**  
(Chairman of CSR Committee)



## Annexure to Directors' Report (Contd.)

### WCPM INITIATIVES TOWARDS SOCIAL RESPONSIBILITY 2016-17



Animal Health Check-up camp



Umbrella Distribution



Health Check-up camp



Lake Restoration and Rejuvenation





## Annexure to Directors' Report (Contd.)

### PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

- (1) Attending Board/Committee Meetings.
- (2) Going through the agenda papers and providing inputs in the meetings of Board/ Committees.
- (3) Guidance to the Company from time to time on the various issues brought to their notice.
- (4) Discharge of duties as per Schedule IV of the Companies Act, 2013 and compliance to other requirements of the said Act or other regulatory requirements.

For and on behalf of the Board

Place : Mumbai

Date : 25th May, 2017

**Rajendra Jain**  
(Executive Director)

**M. P. Taparia**  
(Director)

Statement Pursuant to section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Requirements	Disclosures	
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Shri S.K. Bangur : 264:1 <i>Chairman &amp; Managing Director</i>	
		Shri Rajendra Jain : 40:1 <i>Executive Director</i>	
(ii)	The percentage increase in remuneration of each director, Chief Financial officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Shri S.K.Bangur : 143.46% - <i>Chairman &amp; Managing Director</i>	(₹ 865.54 lakhs in 2016-17 including commission, against ₹ 355.51 lakhs in 2015-16)
		Shri Rajendra Jain : 76.75% - <i>Executive Director</i>	(₹ 131.89 lakhs in 2016-17, against ₹ 74.62 lakhs in 2015-16 i.e., for 8 months)
		Shri Brajmohan Prasad : -- <i>Company Secretary &amp; Compliance Officer</i>	(Appointed w.e.f. 22.07.2016)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	6.36%	
(iv)	The number of permanent employees on the rolls of company.	2390	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salary/wages of the employees was 0.44 % (other than Managerial Personnel) whereas remuneration to managerial personnel increased by 95.67%.	
(vi)	The key parameters for any variable component of remuneration availed by the directors;	Commission based on profit pursuant to terms of appointment of Shri S.K.Bangur, Chairman & Managing Director.	
(vii)	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that remuneration paid is as per the remuneration policy of the company.	



## Annexure to Directors' Report (Contd.)

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report to the members for the year ended 31st March, 2017.

### (A) CONSERVATION OF ENERGY

#### (i) the steps taken or impact on conservation of energy :

1. Stopping of RLK-01 Slurry tank Agitator.
2. Reduction in economiser area repeat soot blowing operation without affecting the performance of Boiler operation to reduce soot blower steam consumption in BHEL Recovery Boiler.
3. Reduction in economiser area repeat soot blowing operation without affecting the performance of Boiler operation to reduce soot blower steam consumption in Enmas recovery boiler.
4. Stopping of hot water pump from 65 °C Hot water tank to dilution water tank by gravity flow arrangement in caustisizer section.
5. Replacement of 06 nos. old rewound motors with energy efficient motors at Paper machine no. 1,2,3 section.
6. Replacement of 25 nos. Metal Halide lamp 250 Watt street light by 90 watt LED street lights.
7. Replacement of Higher size old 360 kw motor by proper size (200 kw) energy efficient motor at ETP ASP Blowers.
8. Replacement of 150 nos. conventional tube light by LED tube lights.
9. Stopping of Shuttle belt conveyor by Modifying Outlet chute of NC 2 conveyor belt over Coal bunker at FBC III.
10. Saving steam by reducing blowdown in FBC 3 & FBC 4 Boilers.
11. Stopping of filter feed pump at DM plant by utilising water from Jackwell header.
12. Diversion of Machine no.1 condensate from common header at old feed tanks to open condensate tank at new power plant to increase condensate return by reducing draining of condensate.
13. Using of FFE no. 1 Cooling outlet water for makeup water at 34.5 MW TG set Cooling Tower and FFE no. 2 Cooling Tower.
14. Optimising of Alkali analyzer Pump 24.1221. running to save energy.
15. Stopping of Black liquor pump to supply black liquor from Fibre line section to recovery section by gravity flow arrangement.
16. Draining of excess water at the inlet of Hot water tank instead of over flowing the tank, as per auto level controller to reduce steam consumption.
17. Replacement conventional refiner plates by AFT Fine bar of Etof Hansson make at PM/c VI stock preparation section to reduce power consumption.
18. Replacement of motors & Vacuum pump no. X and XII at Paper machine no.3 with energy efficient motors & Vacuum Pump.
19. Changing of Mixing chest pump and motor of Paper machine no. 2 & Paper machine no. 3 with adequate capacity energy efficient pump for power saving.
20. Installation of new quality control system with Lip & actuator installation for Head box in Paper machine no.1 to improve product quality and reduce energy consumption.
21. Replacement of table rollers with Hydro Foil Boxes in Wire part section of Paper machine no.2 to reduce steam consumption & increase product output.

#### (ii) the steps taken by the Company for utilizing alternate sources of energy

1. The Company is generating steam from chemical recovery boilers wherein Black Liquor Dry Solids (by product of wood) is fired to generate steam and the same is confirmed as Renewable Biomass Source by Ministry of New & Renewable Energy (U & I Group), Government of India vide their letter no. POSOC/NLDC / REC4 dated 19.12.2011. The steam generated from chemical recovery boilers is 51 % of total steam generation of the mill in the year 2016-17.
2. Replacement of 12 nos. conventional 150 watt MHL with 36watt Solar LED in ETP section.
3. Installation of 80 nos. Turbojet ventilators at Paper machine 1 to 5 Building, Finishing house, Converting section, Centralised compressor room & General store.



## Annexure to Directors' Report (Contd.)

### (iii) the capital investment on energy conservation equipments :

Total Investment	₹ 360.19 Lakhs
Monitory Benefit	₹ 285 Lakhs/annum
Steam Saving	12128 MT /annum
Power Saving	54.56 Lkwh /annum

### (B) TECHNOLOGY ABSORPTION

#### (i) the efforts made towards technology absorption :

1. Utilization of Knotter and screw press rejects which are generated daily leading to the conservation of precious raw materials.
2. Mixed pulping study of various imported and indigenous raw material from different location to maintain optimum level of production.
3. Various alternate raw materials are being studied in order to cope with the ever increasing demand for paper & at the same time optimize the pulping conditions vis-à-vis bleach Chemical demand in order to have a better insight as to the quality of the raw materials.
4. Use of various polymers to minimize dusting at elevated level of filler retention during production and printing.
5. Utilization of more Eco-friendly and economical chemicals in process.
6. Study on sludge settling rate in effluent using various combinations of Flocculent and coagulant.

#### (ii) the benefits derived like product improvement, cost reduction, product development or import substitution :

Improved Productivity, better quality, cost reduction, conservation of invaluable raw material and improved customer's satisfaction.

#### (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : NOT ANY

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

#### (iv) the expenditure incurred on Research and Development.

(₹ in Lakhs)

	2016-17	2015-16
(a) Capital	Nil	Nil
(b) Recurring	56.09	42.85
(c) Total	56.09	42.85
(d) Total R&D expenditure as a percentage of total turnover.	0.03	0.03

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and outgo were ₹ 2590.41 Lacs and ₹ 33475.34 Lacs respectively (₹ 3,399.50 Lacs and ₹ 51,699.90 Lacs previous year).

For and on behalf of the Board

Place : Mumbai  
Date : 25th May, 2017

**Rajendra Jain**  
(Executive Director)

**M. P. Taparua**  
(Director)



## Annexure to Directors' Report (Contd.)

Particulars of Employees pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report dated 25th May, 2017 for the year ended 31st March, 2017.

Sl. No.	Name	Designation & Nature of Duties	Remuneration (₹/lacs)	Qualification	Age	Experience (Years)	Date of Joining	Previous Employment, Designation Name of Employer, Period of Service (Years)	% of equity shares held
1	Shri S.K.Bangur	Chairman & Managing Director	865.54	B.Com	67	43	01.05.2003	Managing Director Jayshree Chemicals Ltd., Ganjam, 15 years.	3.96
2	Shri Rajendra Jain	Executive Director Overall management	131.89	B.Com., FCA, ACS	55	30	31.07.2015	Executive President Grasim Industries Ltd., 29 years.	-

### Notes:

1. Remuneration includes salary, commission, Company's contribution to Provident, Superannuation and Gratuity Funds.
2. All appointments are contractual, other terms and conditions are as per rules of the Company.
3. Shri S.K. Bangur is related to Smt. Shashi Bangur (Wife) & Shri Saurabh Bangur (Son) directors of the Company.



## Annexure to Directors' Report (Contd.)

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that-

- i) In the preparation of the accounts for the financial year ended 31st March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies which have been applied consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- 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.
- iv) The accounts for the Financial Year ended on 31st March, 2017 have been prepared on a 'going concern' basis.
- v) The accounts for the Financial Year ended on 31st March, 2017 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind As) prescribed under section 133 of the Companies Act, 2013 and under recognized accounting practices and policies to the extent applicable. Beginning April 1, 2016, the company has for the first time adopted Ind AS with a transition date of April 1, 2015.
- vi) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vii) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

Place : Mumbai  
Date : 25th May, 2017

**Rajendra Jain**  
(Executive Director)

**M. P. Taparria**  
(Director)



## Annexure to Directors' Report (Contd.)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2017  
[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,  
West Coast Paper Mills Limited  
(Earlier known as The West Coast Paper Mills Limited)  
Bangur Nagar, Dandeli – 581325

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by West Coast Paper Mills Limited (Earlier known as The West Coast Paper Mills Limited) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;



## Annexure to Directors' Report (Contd.)

- (vi) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Act, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following heads/groups:
- (a) The Factories Act, 1948 and Rules made there under;
  - (b) Labour laws and other incidental laws related to labour and employees appointed by the Company;
  - (c) Acts and Rules prescribed under prevention and control of pollution;
  - (d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
  - (e) Acts and Rules relating to boilers, electricity explosives, fire, etc.;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(LODR).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following specific non-compliances / observations /audit qualification, reservation or adverse remarks:

- 1 Mr. Brajmohan Prasad, Company Secretary has been appointed w.e.f., 22.07.2016 where as Mr. P. K. Mundra, earlier Company Secretary resigned on 10.12.2015. Vacancy in the office of KMP was beyond 6 months whereas Company has made due effort of appointing the Company Secretary after the resignation of the Company Secretary.

### **I further report that**

The Board of Directors of the Company is 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 schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the verification of the records and minutes, the decisions at Board Meetings and Committee Meetings were carried out with unanimous consent of the Directors / Committee Members and no Member dissented on the decisions taken at such meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

Place : Bangalore  
Date : 17 May, 2017

**Naman Gurumurthi Joshi**  
*Practicing Company Secretary*  
M No.F8389, C P No.: 9579

This report is to be read with my letter of even date which is annexed as **ANNEXURE A** and forms an integral part of this report.





## Annexure to Directors' Report (Contd.)

### 'ANNEXURE A'

To,  
The Members,  
West Coast Paper Mills Limited  
(Formerly known as The West Coast Paper Mills Limited)  
Bangur Nagar, Dandeli – 581325

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

1. Maintenance of secretarial record is responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records, financial statement and Books of Account of the Company. For the accounting and financial compliance we have relied on the report of internal auditor and statutory auditor.
4. Where ever required, I have obtained the Management Representation about the compliances of laws, rules and regulations as per their representation report has been finalised.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management;my examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Bangalore  
Date : 17 May, 2017

**Naman Gurumurthi Joshi**  
*Practicing Company Secretary*  
M No.F8389, C P No.: 9579



## Management Discussion & Analysis (Contd.)

### A. INDUSTRY STRUCTURE & DEVELOPMENTS

#### GLOBAL PAPER INDUSTRY OVERVIEW :

The Global Paper & Paperboard Packaging Market is poised to grow at a CAGR of around 4.3% over the next decade to reach approximately \$263.3 billion by 2025.

Global paper and board production managed to advance 1.0% in 2014 to reach a new record level of 406.5 million tonnes, despite the continued decline in North America and Europe. Positive growth in tissue and packaging grades continued to offset the retreat in global graphic paper production. China has maintained the top spot for both demand and production of total paper and board since 2009 with the US remaining in second place. China accounted for 25% of world demand and 26% of global production of total paper and board in 2014.

The paper industry is highly fragmented. Asia Pacific dominates this industry and was the major contributor due to improvement in changing lifestyle of consumers, urbanization and rise in disposable income.

The world paper industry is currently facing far-reaching structural changes due to the digitalization of society and businesses, the globalization of industries and the consequent re-distribution of wealth across the globe. A new, more competitive business environment is taking shape, ending the dominance of traditional western markets and giving rise to new, dynamic playing fields for the world's paper, tissue and packaging board industry.

The last five to six years have been extremely challenging for the world's paper industry, particularly to those operating mainly in the western markets. Paper consumption in developed markets has been declining, while in emerging market areas demand growth is matched by the growth of the macro environment. End-use prospects differ widely, as some uses of paper are dying or slowing while some uses or product areas are stable, or have performed extremely well. For over a decade now, digital media have been replacing graphic papers, either directly or indirectly, through changing consumer habits and people's ways of spending spare time. The popularity of online media coupled with new business practices, including paperless banking and invoicing, create uncertainty for the graphic paper industry's future. At the same time, sustainable packaging is becoming an increasingly important factor in e-commerce and other market places, thus creating new opportunities for fiber-based, recyclable and biodegradable packaging materials. In fact, practically 100% of the growth of global paper demand in the last 15 years has been driven by Asia (excl. Japan), which now accounts for a good 40% of the global paper and paperboard demand. Increasing population, urbanization and the development of a new middle class all contribute to the steadily rising demand for paper and paperboard products in emerging markets, where obsolete and uncompetitive mills are being replaced and investments focus on efficient, state-of-the-art assets. These new entries constitute a significant competitive counter-force to their western rivals operating in international paper and paperboard markets.

The growth of the Asian market is putting an end to the dominance of traditional producers and giving rise to a new type of competition. However, medium-term prospects can be bleak, particularly for the second tier Asian producers, as high capital spending by the leading Chinese/Asia-Pacific paper firms has led to striking over-capacity and declining fortunes for the sector as a whole.

The Asian Graphic paper demand was 55.5 million tones with 3.1 % negative growth in 2016. Uncoated wood free growth was 1% as against negative 5% growth for coated wood free paper. This is 3rd year of negative growth in P&W demand mainly due to negative growth in Japan and China. Overall India is expected to grow at 4%, China 1%, Indonesia 1%, Thailand 1%, Japan-negative growth.

It is expected that the global gross output of pulp and paper to go up +1.4% in 2017 vs. 2016.

#### INDIAN PAPER INDUSTRY:

The Indian paper industry with approximately 14 mn tonnes of capacity accounts for about 3% of global paper production. According to Indian Paper Mills Association, the domestic consumption of paper in India during 2014-15 was 13.9 mn tonnes with yoy growth of 6%. The per capita consumption of paper in India stands at about 13 kg which is relatively lower compared to other developed and developing countries and 57 kg global average in per capita paper consumption and the Asian average of 40 kgs. India holds 15th rank among paper producing countries in the world.



## Management Discussion & Analysis (Contd.)

The paper Industry is fragmented with over 750 paper mills, of which less than 100 mills have a capacity of 50,000 TPA or more. Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. However, the focus of paper industry is now shifting towards more eco-friendly products and technology. The mills use a variety of raw material viz. Wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk etc.

In India, Capacity-wise Industrial and Packaging Paper accounts for about 45%, Printing & Writing Paper 31%, Speciality Paper 6% and Newsprint 18% of total production. The growth rate in the year 2015-16 was 9.42 % in Packaging paper/board, 4.98% in writing & printing paper, 16.63 % in Tissue paper and 2.33 % in newsprint.

The Indian Paper Industry currently has a turnover (net of taxes) of over ₹ 50,000 crores and contributes over ₹ 4,500 Crores p.a. to the national exchequer. Even more importantly it is providing employment opportunities to over 2.0 million people, directly and indirectly, mostly in rural areas.

Production growth has lagged the increase in demand for paper, necessitating reliance to an extent on imports, especially in the Newsprint segment. There was an import of worth ₹ 12,284 crores in the year 2015-16 as compared to ₹ 12,350 crores in the year 2014-15. Import in volume term is increasing with a 5 year CAGR of 7.89% and in terms of Indian Rupees; same is at 11.42 % CAGR.

India is the fastest growing market for paper globally and it presents an exciting scenario and paper consumption is poised for a big leap forward in sync with the economic growth. We feel that given India's projected GDP growth, the renewed thrust on universal education through Sarva Shiksha Abhiyan and Right to Education and the consequent changes in lifestyle, paper demand is expected to gradually move to about 20 million tonnes by 2024-25 in our country with the per capita consumption of around 17 kg.

The availability of raw-material has always been a matter of concern for the Industry and has been requesting the Government to allot degraded revenue and forest lands so that not only the requirement of raw-material would be met but also employment for rural unskilled population is generated. However, the government has not considered the request. Nevertheless, the Industry in general has taken initiatives by taking up Farm / Social Forestry programme whereby plantation is taken in a big way on the unproductive revenue land and thus generating not only income to the farmers but also providing employment to the rural unskilled population.

Major Paper producing countries of Latin America, Europe and Asia, including China, Indonesia, Malaysia, etc., have adopted a policy of granting forest concessions to large Paper Mills to plant, protect and harvest Pulpwood in a cost effective manner. In absence of similar enabling policies, Paper Mills in India have to necessarily depend upon small and scattered plantations developed through Industry's social forestry initiative or Government controlled forests. In the process, the cost of collection and transportation works out to be greater than cost of the pulpwood itself. As a result, cost of raw-materials in India has been continuously going up and has become most uncompetitive in comparison to the major paper producing countries in the world.

Given the above status of availability, the Industry is facing severe shortage of wood apart from continuously increasing cost of procurement particularly in the context of unplanned expansion by the Industry without raw-material back-up and focusing only on Andhra Pradesh for sourcing the requirement.

In order to meet shortfall in locally wood availability, the Company decided to import wood chips from 2013 with first shipment arrived at Goa Port in June, 2013. The Company imported 5.75 lakh GMT in 2015-16 and 4.12 lakh GMT in 2016-17 and has an edge over other mills due to proximity to the port.

The Central Government in its Union Budget 2016 has made NIL custom duty on import of wood chips bringing some relief to wood based Paper Industry.

### **CABLE DIVISION:**

Indian optical fiber cables market is expected to grow robustly due to expansion of telecom infrastructure throughout the country over the next five years. Being the second largest telecom market worldwide, India exhibit high data traffic owing to increasing penetration of smart phones and growing demand for broadband services, thereby creating significant demand for OFC installations. Consumers are increasingly shifting towards internet driven applications like



## Management Discussion & Analysis (Contd.)

HDV, video on demand and high-speed file sharing. To address the soaring demand for high speed data transmission, the Government of India along with telecom giants is investing substantial capital in upgrading the country's telecom infrastructure.

The optical fiber cables market in India is expected to surpass US \$ 424 Million by 2020. Nationwide connectivity projects launched by the Government such as National Optical Fiber Network (NOFN) and National Fiber Spectrum (NFS), and the 4G in the country are bound to boost data transmission volumes, thereby making expansion of OFC installations critical for supporting the planned network expansions. In addition, next generation technologies such as LTE and FTTx, which require last mile connectivity, would also propel the demand for optical fiber cables in the coming years.

Looking at the upcoming demand and competition, Cable Division has also augmented the facility with new Colouring, Secondary and Stranding machines and equipping with the new state-of-art Optical testing machines. Further, we have started manufacturing of FRP and Glass Roving in the same plant as a backward integration.

### B. OPPORTUNITIES AND THREATS

#### PAPER DIVISION:

With the growth in GDP, the low per capita consumption of Paper & Paperboard in the country is bound to increase the consumption of paper. The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India.

From the demand point of view, as against present per capita consumption of 13 kg, every one kg incremental per capita consumption results in additional demand of more than one million ton a year. This indicates there is a lot of scope for growth of paper demand in India.

However, there is increasing threat of imported paper as the Import duty on Paper & Paperboard for ASEAN countries has been reduced from 2.50% to 0% with effect from 01.01.2014 which had implications in terms of cheaper imports being of 2.61 million tonnes in 2015-16 as against 2.35 million tonnes in 2014-15. The trend is expected to increase further looking to gap between demand and domestic supply and the availability of cheaper imported paper. An increase in import pressures could result in continued pricing pressures in the paper segment. Continuation of anti dumping duties in the US market for Asian countries could also increase import pressures.

#### CABLE DIVISION:

According to "India Optical Fiber Cables Market Forecast & Opportunities, 2020", optical fiber cables market in India is expected to surpass US\$ 424 million by 2020. Nationwide connectivity projects launched by the Government such as National Optical Fiber Network (NOFN) and National Fiber Spectrum (NFS), National Knowledge Network (NKN) and the 4G in the country are bound to boost data transmission volumes, thereby making expansion of OFC installations critical for supporting the planned network expansions. In addition, next generation technologies such as LTE and FTTx, which require last mile connectivity, would also propel the demand for optical fiber cables in the coming years

### C. SEGMENT-WISE PERFORMANCE

The Company operates in two business segments – Paper / Paperboard (including Duplex Board) at Dandeli and Telecommunication Cables at Mysore, apart from having Wind Mills of 1.75 MW capacity in Tamilnadu for power generation. Detailed segment-wise performance is mentioned in the Directors' Report.

### D. OUTLOOK

#### PAPER DIVISION:

The Paper Industry is cyclical in nature and its performance depends on the global pulp and paper demand supply situation. The domestic paper sector is likely to see marginal improvement in demand from education and corporate sectors, aided by expected higher GDP growth of the country.

Import pressures are likely to be continued and could result in pricing pressures on paper products particularly copier and maplitho segments. However, the company has well diversified product base which partially insulates it from



## Management Discussion & Analysis (Contd.)

the import and other cyclical impact. The company has developed and introduced some new products and varieties like Wesco Bond, Wesco Supershine, Wesco Duraprint, B2B 64 gsm copier etc. to capture new markets with better product mix. Further, continued thrust on manufacturing different variants of cup stock paper having double digit growth prospects augurs well for maintaining the market share in this competitive segment.

With optimum capacity utilisation, good demand outlook, moving into environmental friendly and value added products, the company is expected to sustain its growth prospects.

### **CABLE DIVISION:**

India optical fiber cables (OFC) market is expected to grow robustly due to expansion of telecom infrastructure throughout the country over the next five years. Being the second largest telecom market worldwide, India exhibits high data traffic owing to increasing penetration of smart phones and growing demand for broadband services, thereby creating significant demand for OFC installations. Consumers are increasingly shifting towards internet driven applications like HDTV, video on demand and high-speed file sharing. To address the soaring demand for high speed data transmission, the government of India along with telecom giants is investing substantial capital in upgrading the country's telecom infrastructure. The existing network of copper cables is being over hauled by using advanced fiber optic technology. All these factors are consequently providing a considerable thrust to the OFC market in India.

### **E. RISKS AND CONCERNS**

The Company has derived 96% of its revenue from Paper/ Paperboard and Duplex Board business and 4% from Cable business in 2016-17.

The availability of conventional raw-material is a matter of concern and thereby causes pressure on raw material procurement prices.

Threat from excessive inflow of imported paper at cheaper price will continued to be there in near future and the company need to take timely remedial action to overcome such impacts.

Regarding Charter on Corporate Responsibility for Environmental Protection (CREP) guidelines which was launched in 2003, the Company has already taken the required actions to implement the same and all the parameters are well within the guidelines.

The Company has state-of-art Effluent Treatment Plant and has gone for 100% Elemental Chlorine Free bleaching from 14.02.2010. It is also meeting all the norms as prescribed under Environment Protection Act, 1986 and other environmental laws as well as CREP requirement consistently.

The Company is taking various actions to reduce water consumption in the Mills. Further all the actions are being taken to reduce the specific energy consumption to meet the norms prescribed under PAT-Cycle -II.

### **F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control system for business processes, with regard to efficiency of operations, financial reporting and controls, compliance with applicable laws and regulations etc., clearly defined roles and responsibilities for all managerial positions have also been institutionalised. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening these.

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2017, the Company has sound IFC commensurate with the nature and size of its business operations and is operating effectively and no material weakness exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.



## Management Discussion & Analysis (Contd.)

### G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

This has been dealt with in the Directors' Report.

### H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

During the year, the Company's industrial relations are cordial. The Company has entered into tripartite long term wage revision settlement with Joint Negotiation Committee (JNC) of Unions on 04.05.2016 for the period from 01.01.2015 to 31.12.2018.

The Company has drawn specific programme to improve the skills of the workers and staff. Further, it is providing necessary training to the manpower both locally and abroad with suppliers. There is continuous interaction between the Management, Unions and Labour for improving the knowledge and training of the workers.

Total employees of the Company as on 31.03.2017 are 2390.

#### CAUTIONARY STATEMENT

*Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*



# Report on Corporate Governance

A report on Corporate Governance for the financial year 2016-17 is set out in the compliance with Corporate Governance requirements as stipulated under Regulation 34(3) read with Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

It is the consistent conviction of the Company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. In pursuance of this, the Company has been passionately pursuing good corporate governance practices based on professional excellence, business ethics, and transparency which operate within the accepted norms of propriety, equity, fair play and a sense of justice. While the Company's compliance of legislative and regulatory requirements is total and absolute, the Company believes that good corporate governance goes much beyond the mere fulfilling of statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company further presumes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction and stakeholder value.

The Company's highly professional and responsive Board of Directors is composed of eminent thought-leaders and seasoned stalwarts drawn from diverse fields ensuring extensive deliberation and expertise which have bearing on the process of decision-making. Accountability and transparency are the key drivers behind the Board decision-making which inspires stakeholder confidence. Openness and transparency of the Company's corporate governance are reflected in the exhaustive disclosures made in the Company's annual report with a view to sharing information with stakeholders, investors, analysts, and competitors.

## 2) BOARD OF DIRECTORS

### i) Composition of the Board :

The Company's policy is to have an appropriate mix of promoters, executives and independent directors to maintain the independence of the Board. The Board comprises-

- Three promoter Directors, including Chairman & Managing Director and Vice Chairman
- Five Independent, Non-Executive directors and
- One Non-Promoter, Executive Director.

### ii) Category, Attendance & Other Directorship

The number of other Directorships, memberships of other Board Committees of which he/she is a Member/ chairperson as on date and attendance in Board Meetings are as follows:

Director	Category	Board Meetings Attended	Number of other Director-Ships*	No. of Membership of other Board Committees (*)(**)	No. of Board Committees for which Chairperson (*)(**)
Shri S.K.Bangur	Promoter, Chairman & Managing Director	4	7	–	–
Smt. Shashi Bangur	Promoter, Non-Executive Director	4	5	–	–
Shri Saurabh Bangur	Promoter, Vice -Chairman	3	3	–	–
Shri Premal N. Kapadia	Independent, Non-Executive Director	3	2	1	1
Lt. Gen[Retd.] Utpal Bhattacharyya	Independent, Non-Executive Director	5	–	–	–





## Report on Corporate Governance (Contd.)

Director	Category	Board Meetings Attended	Number of other Director-Ships*	No. of Membership of other Board Committees (*)(**)	No. of Board Committees for which Chairperson (*)(**)
Shri Krishna Kumar Karwa	Independent, Non-Executive Director	3	4	3	–
Shri M.P. Taparia	Independent, Non-Executive Director	2	4	1	1
Shri Amitav Kothari	Independent, Non-Executive Director	4	3	1	2
Shri Rajendra Jain	Executive Director	5	–	–	–

\*excluding private, foreign and companies under Section 8 of the Companies Act, 2013.

\*\*This relates to Audit and Stakeholders' Relationship Committees only.

Shri S K Bangur, Smt. Shashi Bangur, Lt.Gen.(Retd.) Utpal Bhattacharyya and Shri Rajendra Jain attended the last Annual General Meeting.

### iii) Board Meetings held :

- During the year under review, five Board Meetings were held on May 30, July 19, September 08, November 10, 2016 and February 06, 2017.
- None of the Directors other than Smt. Shashi Bangur being spouse and Shri Saurabh Bangur being son of Shri S.K.Bangur are relatives inter-se.
- Smt. Shashi Bangur and Shri Saurabh Bangur holds 2087051 and 1451730 equity shares respectively of the Company.

Details of Familiarization programmes imparted to independent directors are available on the website of the Company : [www.westcoastpaper.com](http://www.westcoastpaper.com).

### iv) Board Membership Criteria:

The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skill and experience require for the Board as a whole and for individual members. Board members are expected to possess the required qualification, experience for the position.

### v) Separate Independent Directors meeting:

The Independent Directors meet at least once in a year without the presence of Executive Director or CMD or Management representatives and inter-alia discussed:

- The performance of non-independent directors and the Board as a whole.
- The performance of Chairman of the Company.
- Assessment of the quality, quantity and timeliness of flow of information between Management and the Board.

In addition to this meeting, interactions outside the Board Meeting also take place between the Chairman and the Independent Directors.

This year meeting was held on 6th February, 2017.

### vi) Board Evaluation:

In terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the committees. A structured questionnaire was circulated, covering various aspects of the Board's and Committee's functioning, cultures, performance and governance.



## Report on Corporate Governance (Contd.)

### 3) COMMITTEES OF THE BOARD

#### A) AUDIT COMMITTEE

##### i) Brief description of terms of reference

Terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, approval of remuneration and terms of appointment and payment to statutory auditors for any other services, auditor's independence and performance, audit process, financial statements and auditor's report thereon, review of adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings, review of transactions with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets, approval of appointment of Chief Financial Officer, evaluation of internal financial controls and risk management systems and review the functioning of the Whistle Blower mechanism.

##### ii) Composition, names of members and Chairperson

The Audit Committee, comprises Four directors, of whom Three are Independent Non-Executive Directors and One is Executive Director, all of them possessing knowledge of corporate finance, accounts and Company law. The Chairman of the Committee is an Independent Non-executive Director. The Company Secretary acts as the Secretary to the Committee. The composition of the Audit Committee is as follows:-

(i)	Shri P.N.Kapadia	Chairman
(ii)	Lt. Gen (Retd.) Utpal Bhattacharyya	Member
(iii)	Shri Amitav Kothari (appointed w.e.f.30.05.2016)	Member
(iv)	Shri Rajendra Jain	Member

##### iii) Meetings and Attendance during the year

During the year ended March 31, 2017, four meetings of the Audit Committee were held on May 30, 2016, September 08, 2016, November 10, 2016 and February 06, 2017. The attendance of the Chairman and the members of Audit Committee at the meetings held during the year under review was as under:-

Name of the Director	Category	No. of Meetings attended
Shri P.N.Kapadia	I/NED	3
Lt. Gen (Retd.) Utpal Bhattacharyya	I/NED	4
Shri Amitav Kothari	I/NED	3
Shri Rajendra Jain	ED	4

#### B) NOMINATION AND REMUNERATION COMMITTEE

##### i) Brief description of terms of reference

To periodically approve the remuneration package of whole-time Directors and ensure appropriate disclosure of the same, determining qualifications, positive attributes and independence of a Director, formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on Board diversity and recommend appointment of Directors and appointment and removal in senior management.

##### ii) Composition, names of Members and Chairperson

The Nomination and Remuneration Committee comprises three non-executive Independent Directors and the Company Secretary acts as Ex-officio Secretary of the Committee. The names of the Members & Chairperson of the Nomination and Remuneration Committee are as under:-



## Report on Corporate Governance (Contd.)

(i)	Shri M.P. Taparia	Chairman
(ii)	Shri P.N.Kapadia	Member
(iii)	Lt.Gen.(Retd.)Utpal Bhattacharyya	Member

### iii) Meetings and attendance during the year

The Nomination and Remuneration Committee met on 30th May and 10th November, 2016 to recommend to the Board to modify terms of appointment of Whole Time Director and to approve Annual increment of Salary to Whole Time Director. Attendance of members at Committee Meetings was as follows-

Name of the Director	Category	No. of Meetings attended
Shri M.P. Taparia	I/NED	1
Shri P.N. Kapadia	I/NED	2
Lt.Gen.(Retd.)Utpal Bhattacharyya	I/NED	2

## C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The "Stakeholders Relationship Committee" deals with approval of share transfer/transmission, issue of duplicate share certificates, split and consolidation requests, rematerialization of shares and other matters relating to transfer and registration of shares.

### i) Composition

The composition of the Stakeholders Relationship Committee is as under:-

(i)	Smt. Shashi Bangur	Chairperson
(ii)	Shri Saurabh Bangur	Member
(iii)	Shri Rajendra Jain	Member

Shri Brajmohan Prasad, Company Secretary acts as the Compliance Officer.

### ii) Meetings and Attendance during the year

During the year, Three meetings were held on 1st August, 7th October, 2016 and 2nd March, 2017. Details of attendance are as follows :-

Name of the Director	Category	No. of Meetings attended
Smt. Shashi Bangur	NED	2
Shri Saurabh Bangur	NED	3
Shri Rajendra Jain	ED	1

### iii) Complaints Status

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

During the year under review, the Company has received 4 complaints from shareholders/investors, which inter-alia included non-receipt of annual report and dividend and the complaints were resolved.

No complaint was pending as on March 31, 2017.

## D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee deals with formulation and recommend to the Board and monitor, a Corporate Social Responsibility Policy, recommend the amount of expenditure to be incurred on the activities under the same.



## Report on Corporate Governance (Contd.)

### i) Composition, Meeting and Attendance during the year

The composition of the Corporate Social Responsibility Committee is as under:-

Name of Directors	Category	Chairman/Member
Shri S.K.Bangur	CMD	Chairman
Shri Saurabh Bangur	NED	Member
Shri M.P. Taparua	I/NED	Member

During the year one meeting was held on 08.11.2016 and Shri S.K.Bangur and Shri Saurabh Bangur attended the same.

### E) FINANCE AND CORPORATE AFFAIRS COMMITTEE

Finance and Corporate Affairs Committee has been constituted by the Board of Directors in their meeting held on 06th February, 2017, which deals with borrowing money, inter-corporate Loans/Deposit, parking/investing surplus funds and open/ close Bank Accounts etc.

### i) Composition, Meeting and Attendance

The Composition of the Finance and Corporate Affairs Committee is as under:

Name of Directors	Category	Chairman/Member
Shri Saurabh Bangur	NED	Chairman
Shri S.K.Bangur	CMD	Member
Shri Rajendra Jain	ED	Member

Meeting of the Committee held on 30.03.2017, Shri Saurabh Bangur, Shri S.K.Bangur and Shri Rajendra Jain attended the same.

### 4) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Performance evaluation criteria for independent directors are covered in Directors' Report forming part of this Annual Report.

### 5) REMUNERATION OF DIRECTORS

i) There is no pecuniary relationship or transactions between non-executive directors and the Company except payment of sitting fees for attending Board and Committee Meetings as mentioned below.

### ii) Remuneration Policy

Except Chairman & Managing Director and Executive Director, the remaining directors do not receive any remuneration, other than sitting fees for attending the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, CSR Committee and Independent Directors Meeting @ ₹ 10,000/- per meeting in terms of the resolution passed by the Board of Directors in its meeting held on June 27, 2005.

### iii) Details of remuneration

The details of Remuneration package, sitting fees paid etc., to directors during the year ended March 31, 2017, for information of members, are furnished here below:-



## Report on Corporate Governance (Contd.)

### (a) Paid to Non-executive Directors :

S.N.	Name of Director	Sitting fees paid (₹)	Remarks
1.	Smt. Shashi Bangur	40,000	Except sitting fees for meetings of Board or its Committees, independent directors and non-executive directors are not paid any salary, benefits, bonuses, stock options, pension etc., There is no contract, Notice period or severance fees applicable. Stock Option details - Not applicable as the same is not given.
2.	Shri Saurabh Bangur	40,000	
3.	Shri P. N.Kapadia	90,000	
4.	Lt.Gen.[Retd.] Utpal Bhattacharyya	1,20,000	
5.	Shri Krishna Kumar Karwa	40,000	
6.	Shri M. P. Taparia	30,000	
7.	Shri Amitav Kothari	80,000	
<b>TOTAL</b>		<b>4,40,000</b>	

Note: Shri S.K. Bangur is related to Smt. Shashi Bangur (wife) and Shri Saurabh Bangur (son).

### (b) Paid to Chairman & Managing Director/Executive Director :

Sl. No.	Particulars	Shri S.K.Bangur Chairman & Managing Director	Shri Rajendra Jain Executive Director
(i)	<b>Remuneration :</b>		
	- Salary	1,15,00,000	84,99,503
	- Contribution to Provident, Gratuity and Superannuation Funds	74,31,923	13,86,491
	- Benefits-Allowances/perks	6,875	33,03,229
	- Commission	6,76,15,000	—
	<b>TOTAL</b>	<b>8,65,53,798</b>	<b>1,31,89,223</b>
(ii)	Details of Fixed Component and performance linked incentives along with the performance criteria:		
	<b>(a) Fixed Component :</b>	(₹ Per month)	(₹ Per month)
	- Salary – per month	10,00,000	6,39,070
	- Contribution to Provident Fund (12%) & Superannuation Fund (15%) of salary	As per Rules	As per Rules
	- Perks and other allowances	As per Rules	As per Rules
	<b>(b) Performance Linked Incentive :</b>		
	Commission (Based on Net Profit for the year within the individual/overall ceiling for managerial remuneration from time to time)	Up to 5% of net profit by way of Salary, perks and Commission, all taken together.	—
	<b>(c) Minimum Remuneration :</b>		
	In case of inadequacy of profit in any year as calculated under section 197/198 of the Companies Act, 2013.	Within the ceiling of Schedule V, as amended from time to time.	The remuneration paid to Shri Rajendra Jain, who is functioning in the professional capacity, is in line with Clause B of Section II of Part II of Schedule V of the Companies Act, 2013.



## Report on Corporate Governance (Contd.)

(iii)	Service Contracts, notice period, severance fees:		
	(a) Service Contract	The re-appointment is for a further period of five years i.e., till April 30, 2021.	The appointment is for a period of three years i.e., till 30.07.2018.
	(b) Notice period	Not specified	Three months from either side
	(c) Severance fees	Not specified	Not specified
(iv)	Stock Option details, if any, and whether the same has been issued at discount as well as the period over which accrued and over which exercisable.	No Stock option issued, hence not applicable.	No Stock option issued, hence not applicable.

Note: Shri S.K. Bangur is related to Smt. Shashi Bangur (spouse) and Shri Saurabh Bangur (son).

### 6) GENERAL BODY MEETINGS

The details of General Body Meetings held in the last three years are as under:-

#### (i) Annual General Meetings

AGM	Day	Date	Time	Location
59th	Thursday	31.07.2014	4:00 P.M	Bangur Nagar, Dandeli
60th	Friday	31.07.2015	4:00 P.M	Bangur Nagar, Dandeli
61st	Wednesday	31.08.2016	4:00 P.M	Bangur Nagar, Dandeli

#### (ii) Special Resolutions passed in the previous three Annual General Meetings:

- (1) At the 61st Annual General Meeting held on 31st August, 2016 following Special Resolutions were passed :
  - i) Approval of appointment of Shri Rajendra Jain(DIN:07250797), as Executive Director.
  - ii) Re-appointment of Shri S.K.Bangur(DIN:00053237) as Chairman & Managing Director.
  - iii) Approval to Board to create mortgages, charges and hypothecations, in addition to the existing mortgages, charges and hypothecations on all or any of the movable and/or immovable properties, both present and future.
  - iv) Approval of Change of name of the Company from The West Coast Paper Mills Limited to "West Coast Paper Mills Limited".
  - v) Adoption of Articles of Association in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.
- (2) At the 60th Annual General Meeting held on 31st July 2015 consent of the members was accorded for amending Articles of Association of the Company to include Article 155A Chairman of the Board can also be Whole time Director by whatever name called in terms of the Section 203 of the Companies Act, 2013.
- (3) At the 59th Annual General Meeting held on 31st July 2014 following Special Resolutions were passed :
  - i) Approval of re-appointment and remuneration of Shri K L Chandak, as Executive Director.
  - ii) Approval for borrowing money upto ₹ 2,000 Crores over and above the aggregate of the paid up share capital and free reserves of the Company.

#### (iii) Special Resolution passed last year through postal ballot (under Section 110) and details of voting pattern:-

No special resolutions were passed through postal ballot last year.

#### (iv) Special Resolution proposed to be passed through Postal Ballot during this year-No



## Report on Corporate Governance (Contd.)

### 7) MEANS OF COMMUNICATION

- i) The Board of Directors of the Company approves the quarterly and half-yearly unaudited financial results in the proforma prescribed pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time within forty five days of the close of the respective periods (except audited results for the year/last quarter within sixty days of the end of the financial year).
- ii) The approved financial results are e-mailed/submitted online immediately after the Board Meeting to the Stock Exchanges where the Company's shares are listed and are published in Business Standard (English) and Karavali Munjavu (Kannada) news papers, within forty-eight hours of approval thereof by the Board of Directors.
- iii) The Company's financial results, official news releases and presentations are displayed on the Company's website - [www.westcoastpaper.com](http://www.westcoastpaper.com).

### 8) GENERAL SHAREHOLDER INFORMATION

#### A) 62nd Annual General Meeting:

Date	31st August 2017
Time	4.00 PM
Venue	Shree Ranganath Auditorium Bangur Nagar, DANDELI -581 325

#### B) Tentative Financial Calendar 2017-18

##### Adoption of Quarterly Results

of the quarter ending	1st/2nd week of -
- June 30, 2017	August 2017
- September 30, 2017	November 2017
- December 31, 2017	February 2018
- March 31, 2018(year ending)	3rd /4th week of May 2018

#### C) Book Closure date **19th August to 31st August 2017 (Both days inclusive)**

#### D) Dividend payment date **6th September 2017 onwards**

#### E) Listing of Equity Shares on Stock Exchanges

The Company's equity shares are listed on the following Stock Exchanges, having nationwide trading terminals-

- (a) BSE Limited  
Corporate Services  
Floor 25, P.J.Towers  
Dalal Street  
Mumbai - 400 001
- (b) National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
Bandra-Kurla Complex, Bandra(E)  
Mumbai - 400 051

#### F) Listing Fees

Listing fee for the year 2016-17 and 2017-18 has been paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).





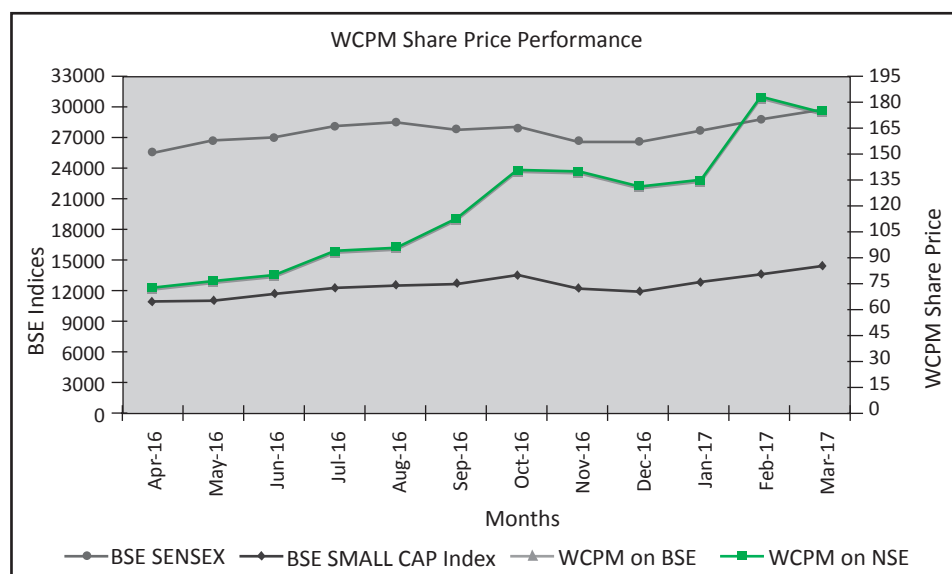
## Report on Corporate Governance (Contd.)

### G) Stock Code

- 1) BSE Limited - 500444
- 2) National Stock Exchange of India Ltd - WSTCSTPAPR
- 3) ISIN NO. - INE976A01021

### MARKET PRICE DATA (₹)

Month	BSE Limited (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April 16	81.85	68.50	81.90	68.50
May 16	94.60	73.00	94.60	73.00
June 16	83.95	71.30	83.80	70.05
July 16	96.00	80.00	95.50	79.55
August 16	105.70	87.10	105.85	87.25
September 16	116.50	92.70	116.90	92.55
October 16	142.00	113.10	141.00	112.75
November 16	149.10	116.25	149.40	116.00
December 16	145.40	124.20	145.75	123.95
January 17	148.50	129.80	148.70	129.95
February 17	187.95	131.80	187.50	133.00
March 17	187.75	167.20	187.80	166.25





## Report on Corporate Governance (Contd.)

### H) Registrar and Transfer Agents

#### For Shares held in physical mode as well as in dematerialized form -

Link Intime India Pvt.Ltd.,  
C-101, 247 Park  
LBS Marg, Vikhroli (West), MUMBAI-400 083.  
Ph: (022) 49186000; Fax: (022) 49186060;  
E-mail: rnthelpdesk@linkintime.co.in

### I) Share Transfer System

The Company's Registrar and Transfer Agent (RTA) has been entrusted with handling of Physical transfer of shares also, as per the directions of SEBI, w.e.f. February, 2003, apart from dematerialization of shares. The Board of Directors of the Company has delegated the power of approval of share transfers executed/processed by the RTA to the Stakeholders Relationship Committee comprising of two Non-Executive Directors, Executive Director and Company Secretary of the Company. The RTA does the physical share transfers once in a week and sends the statement to the Company for approval purpose.

### J) Shareholding Pattern as on March 31, 2017

Category	No. of shares held	% of shareholding
Promoters	36855875	55.80
Mutual Funds & UTI	6388542	9.67
Banks, Financial Institutions, Insurance Companies & FII	3956543	5.99
Private Corporate Bodies	3992256	6.04
Indian Public	14648253	22.18
NRIs/OCBs	194889	0.30
Foreign Nationals	12550	0.02
ADRs/GDRs	-	-
<b>Total</b>	<b>66048908</b>	<b>100%</b>

### K) Distribution of Shareholding as on March 31, 2017

From	To	No. of shareholders		No. of shares	
		Number	%	Number	%
Upto	- 5000	15785	96.45	7383379	11.18
5001	- 10000	265	1.62	2017197	3.05
10001	- 20000	140	0.85	2034508	3.08
20001	- 30000	47	0.29	1181097	1.79
30001	- 40000	27	0.17	933199	1.41
40001	- 50000	17	0.10	760179	1.15
50001	- 100000	42	0.26	2938167	4.45
100001	& Above	43	0.26	48801182	73.89
<b>Total</b>		<b>16366</b>	<b>100</b>	<b>66048908</b>	<b>100</b>

### L) Dematerialization of Shares

The shares of the Company are in compulsory demat segment w.e.f. July 2000. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31st March 2017, 97.51% of the shares of the Company were held in dematerialized form and rest in physical form.



## Report on Corporate Governance (Contd.)

### M) Plant Location of the Company

#### i) Paper & Paperboard and Duplex Board

Bangur Nagar, Dandeli -581 325  
Uttara Kannada Dist. (Karnataka)

#### ii) Optical Fibre Cable Unit

West Coast Optilinks  
Plot No.386/387, KIADB, Electronic City  
Hebbal Industrial Area, Mysore -570 016

### N) Address for Correspondence

The shareholders may address their communications/suggestions/grievances/queries pertaining to share transfer/demat including physical transfer requests and demat requisition forms, to the Company's RTA at the following address -

Link Intime India Pvt.Ltd.,  
(Unit: West Coast Paper Mills Ltd.)  
C-101, 247 Park  
LBS Marg, Vikhroli (West)  
MUMBAI-400 083.  
Ph: (022) 49186000;Fax: (022) 49186060;  
E-mail : rnthelpdesk@linkintime.co.in

## 9) DISCLOSURES

### A) Related Party Transactions

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc., that may have any potential conflict with the interests of the Company. Policy on dealing with related party transactions is available on the website of the Company.

### B) Compliance of various legal requirements by the Company

The Company has complied with the various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and no penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

### C) The Company has formed Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

### D) The Company has complied with all the mandatory requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also adopted the following non-mandatory requirements:

- (i) The Company is maintaining office for the Non-Executive Chairman.
- (ii) The Company is normally publishing unaudited/audited financial results without any qualifications.
- (iii) The Board members are having adequate experience and expertise to deal with business matters.

### E) The Company has no material Subsidiaries.

### F) The Company has complied with requirements specified in Regulation 17 to 27 and clause(b) to (i) of Sub-regulation (2) of Regulation 46 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 10) CEO/CFO CERTIFICATION

As required by the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from CEO and CFO was placed before the Board of Directors at the meeting held on 25th May 2017.



## Report on Corporate Governance (Contd.)

### 11) COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same forms part of the Annual Report.

The Certificate from the Statutory Auditors will be sent to the Stock Exchanges along with the Annual Report of the Company.

- 12) As required under Regulation 39(4) R/w Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opened Demat Suspense Account and Company is in the process implementing Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, which requires to transfer shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more to Investor Education and Protection Fund. Vide General Circular No 5/2017, dated 16.05.2017 the Ministry has withdrawn the General Circular No-03/2017 dated 27.04.2017 Transfer of Shares to IEPF Authority from immediate effect till further instructions.

### DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management personnel have affirmed compliance with Code of Conduct adopted by the Board, in its meeting held on 6th February, 2017.

For West Coast Paper Mills Limited

Place: Kolkata  
Date: 9th May, 2017

**S.K. Bangur**  
Chairman & Managing Director



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of  
West Coast Paper Mills Limited

We have examined the compliance of Corporate Governance by West Coast Paper Mills Limited ('the company'), for the year ended 31st March 2017, as stipulated in the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR)], as required in Regulation 15(2) of SEBI (LODR).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 financials statements of the company.

In our opinion and to the best of our information and according to explanation given to us, we certify that the company has complied with the conditions of the corporate governance as stipulated in the above mentioned SEBI (LODR) Regulations, as applicable subject to non attendance of the Annual General Meeting by the Chairman of Audit Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For **BATLIBOI & PUROHIT**  
*Chartered Accountants*  
Firm Reg. No.101048W

Place : Mumbai  
Date : 25th May 2017

**R.D.Hangekar**  
*Partner*  
Membership Number: 030615



# Independent Auditors' Report

To the members of  
**WEST COAST PAPER MILLS LIMITED,**

## Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **WEST COAST PAPER MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



## Independent Auditors' Report (Contd.)

### 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 Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
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), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017 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 as at March 31,2017 on its financial position in its financial statements;(Refer Note:2.42)
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. (Refer Note:53);

For **Batliboi & Purohit**  
Chartered Accountants  
Firm Registration Number: 101048W

**R.D. Hangekar**  
Partner  
Membership Number: 030615

Place: Mumbai  
Date: 25 May, 2017





## Annexure A

to the independent auditors' report

### **The Annexure A referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017 we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by management at reasonable intervals under a phased programme of verification. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
- (c) The title deeds of the immovable property other than self constructed immovable property (buildings) as disclosed in schedule of fixed assets to the financial statements, are held in the name of the Company (note no 40), except for 289.68 acres of leasehold land for which the lease agreements are expired and pending to be renewed and registered with the government authorities.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies have been noticed on such verification.
- (iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraph 3 (iii) of the order is not applicable to the Company.
- (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 in respect of any loans to any party covered under Section 185 of the Act. The company has complied with the provision of section 186 of the Act in respect of investment made or loan or guarantee or security provided to the parties covered under section 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and Rules framed there under to extent notified.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for maintenance of cost records prescribed under sub-section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable, with the appropriate authorities.  

According to the information and explanations given to us and the records of the company examined by us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, and the records of the company examined by us, the dues in respect of sales tax, income-tax, duty of customs, service tax, entry tax, value added tax, central sales tax, duty of excise which have not been deposited with the appropriate authority on account of any disputes are as under:



## Annexure A

to the independent auditors' report (Contd.)

(₹ in Lacs)

Name of the Statute	Nature of the dues	Amount	Forum where dispute is pending
The Tamilnadu General Sales Tax Act	Sales Tax	30.66	Madras High Court
Income tax Act, 1961	Income Tax	19.74	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise	5.15	Commissioner – CESTAT
Central Excise Act, 1944	Excise	5.65	Asst. Commissioner – CESTAT
Central Excise Act, 1944	Excise	76.33	Addl. Commissioner – CESTAT
The Custom Act 1962	Custom	439.03	CESTAT (Mumbai)
Service Tax Act, 1994	Service Tax	3.09	Asst. Commissioner – CESTAT
Service Tax Act, 1994	Service Tax	1.23	Deputy Commissioner - CESTAT

- (viii) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government as at the Balance sheet date.
- (ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required under Ind AS and Companies Act, 2013.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 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. Accordingly, the provisions of Clause 3(xvi) of the order are not applicable to the Company.

For **Batliboi & Purohit**  
Chartered Accountants  
Firm Registration Number: 101048W

**R.D. Hangekar**  
Partner  
Membership Number: 030615

Place: Mumbai  
Date: 25 May, 2017



## Annexure B

to the independent auditors' report

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

We have audited the internal financial controls over financial reporting of West Coast Paper Mills Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

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



## Annexure B

to the independent auditors' report (Contd.)

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 **Batliboi & Purohit**

*Chartered Accountants*

Firm Registration Number: 101048W

**R.D. Hangekar**

Partner

Membership Number: 030615

Place: Mumbai

Date: 25 May, 2017



# Balance Sheet

as at 31st March 2017

(₹ in Lakhs)

	Note	31st Mar 17	31st Mar 16	1st Apr 15
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2	99,838.24	108,581.28	117,097.52
Capital work in progress	3	601.42	335.17	230.05
Investment properties	4	3.86	4.07	4.28
Intangible assets	5	264.15	11.10	18.50
Biological Assets other than bearer plants	6	2,319.14	3,812.27	4,374.26
<b>Financial Assets:</b>				
i Investments	7	82.73	82.73	4,671.20
ii Loans	8	205.57	175.40	977.28
Other non-current Assets	9	50.00	80.46	80.46
Income tax assets (Net)	10	8,286.98	6,082.94	5,463.17
<b>Total non-current assets</b>		<b>111,652.09</b>	<b>119,165.42</b>	<b>132,916.72</b>
<b>Current Assets</b>				
Inventories	11	28,267.15	37,504.52	39,496.12
Biological Assets other than bearer plants	6	150.61	150.99	230.38
<b>Financial Assets</b>				
i. Trade Receivables	12	12,831.13	11,804.01	12,499.23
ii. Cash and Cash Equivalents	13	2,327.88	1,262.19	1,313.34
iii. Loans	8	38.43	41.52	33.61
iv. Other financial assets	14	314.89	389.10	409.68
Other current assets	15	5,190.17	2,749.90	3,854.87
Assets classified as held for sale	16	167.64	-	-
		49,287.90	53,902.23	57,837.23
<b>Total Assets</b>		<b>160,939.99</b>	<b>173,067.65</b>	<b>190,753.95</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	17	1,320.98	1,320.98	1,320.98
Other Equity	18	62,594.02	50,336.05	51,354.95
		<b>63,915.00</b>	<b>51,657.03</b>	<b>52,675.93</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
i. Borrowings	19	29,372.59	41,912.64	39,544.34
ii. Other Financial Liabilities	20	3,160.47	2,804.11	2,911.50
Provisions	21	584.65	409.58	423.97
Deferred tax liabilities (net)	22	13,505.39	8,567.70	7,141.54
Other non-current liabilities	23	6,127.69	5,794.74	5,482.88
		<b>52,750.79</b>	<b>59,488.76</b>	<b>55,504.23</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
i. Borrowings	24	8,364.90	22,111.93	30,128.43
ii. Trade Payables	25	14,799.25	19,934.45	24,944.77
iii. Other Financial Liabilities	20	12,431.85	10,578.18	21,677.03
Provisions	21	4,289.58	5,253.55	2,784.64
Other current liabilities	26	4,388.62	4,043.77	3,038.92
		44,274.20	61,921.88	82,573.79
<b>Total Equity and Liabilities</b>		<b>160,939.99</b>	<b>173,067.65</b>	<b>190,753.95</b>

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For **Batliboi and Purohit**  
Chartered Accountants  
Firm Registration No. 101048W  
**R.D. Hangekar**  
Partner  
M. No. 030615  
Place: Mumbai  
Date: 25th May 2017

For and on behalf of the Board

Director **M.P. Taparia**  
Director **P.N. Kapadia**  
Director **Lt. Gen. (Retd.) Utpal Bhattacharyya**  
Executive Director **Rajendra Jain**  
Company Secretary **Brajmohan Prasad**



# Statement of Profit & Loss Account

for the year ended 31st March, 2017

(₹ in Lakhs)

	Note	Year ended 31st Mar 2017	Year ended 31st Mar 2016
<b>CONTINUING OPERATIONS</b>			
Revenue from Operations	27	187,671.32	180,458.79
Other Income	28	237.11	767.18
<b>Total Income</b>		<b>187,908.42</b>	<b>181,225.97</b>
<b>Expenses</b>			
Cost of Material Consumed	29	99,542.08	101,426.86
Purchase of Stock in trade		–	–
Excise duty on sale of goods	30	10,737.11	10,454.61
Changes in Inventories of Work in progress and Finished Goods	31	2,375.40	4,184.27
Employee benefit expenses	32	11,834.16	11,411.12
Depreciation and Amortization expense	33	11,076.87	11,436.16
Impairment of assets	34	21.31	–
Other expenses	35	29,376.40	28,028.96
Finance Costs	36	5,157.25	7,580.68
<b>Total Expenses</b>		<b>170,120.57</b>	<b>174,522.66</b>
<b>Profit before exceptional items and tax</b>		<b>17,787.85</b>	<b>6,703.32</b>
Exceptional items	37	–	5,323.75
<b>Profit before tax</b>		<b>17,787.85</b>	<b>1,379.57</b>
Income Tax expenses	38		
Current Tax		3,654.24	597.74
Mat Credit Entitlement		(3,654.24)	(597.74)
Deferred Tax		4,937.68	1,426.07
<b>Total tax expenses</b>		<b>4,937.68</b>	<b>1,426.07</b>
<b>Profit/ (loss ) for the period from continuing operations</b>		<b>12,850.17</b>	<b>(46.50)</b>
<b>Other Comprehensive Income</b>	18		
Items that may be classified to Profit or Loss		–	–
Items that will not be reclassified to Profit or Loss			
Remeasurement of employees benefit obligations		(797.13)	(235.03)
Income Tax relating to Items that will not be reclassified to Profit or Loss		204.94	57.58
<b>Other Comprehensive Income for the period ( net of tax )</b>		<b>(592.19)</b>	<b>(177.45)</b>
<b>Total Comprehensive Income for the year</b>		<b>12,257.98</b>	<b>(223.95)</b>
Earning Per Equity Share for profit from Continuing Operations			
Basic Earning per share (In ₹)		19.46	(0.07)
Diluted Earning per share (In ₹)		19.46	(0.07)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For **Batliboi and Purohit**

Chartered Accountants

Firm Registration No. 101048W

**R.D. Hangekar**

Partner

M. No. 030615

Place: Mumbai

Date: 25th May 2017

For and on behalf of the Board

Director **M.P. Taparia**

Director **P.N. Kapadia**

Director **Lt. Gen. (Retd.) Utpal Bhattacharyya**

Executive Director **Rajendra Jain**

Company Secretary **Brajmohan Prasad**



# Cash Flow Statement

for the year ended 31st March, 2017

(₹ in Lakhs)

	2017	2016
<b>Cash flow from Operating activities</b>		
Profit before income tax from		
Continuing Operations	17,787.85	1,379.57
Discontinued Operations	–	–
Profit before income tax including discontinued operations	<b>17,787.85</b>	<b>1,379.57</b>
Adjustments for		
Depreciation and amortisation	11,076.87	11,436.16
Impairment of goodwill and other non-current assets	–	–
Loss / (Gain) on disposal of Property, plant and equipment	14.62	5.43
Exceptional Items	–	5,323.75
Loss / (Gain) on sale of investments	–	–
Changes in fair value of financial assets at fair value through profit or loss	–	–
Unwinding of discount on security deposits	–	–
Dividend and interest income classified as investing cash flows	(81.63)	(684.00)
Finance Costs	5,432.62	6,744.82
Net exchange differences	(275.37)	835.86
<b>Total</b>	<b>16,167.11</b>	<b>23,662.02</b>
<b>Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary</b>		
(increase) / Decrease in trade receivables	(1,027.12)	695.22
(increase) / Decrease in inventories	10,730.89	2,632.98
Increase / (decrease) in trade liabilities	3,636.57	(17,194.60)
(increase) / Decrease in other financial assets	74.21	20.58
(increase) / Decrease in other non-current assets	30.46	–
(increase) / Decrease in other current assets	(2,440.27)	1,104.97
Increase / (Decrease) in provisions	344.85	1,004.85
Increase in employee benefits obligations	6.04	2,454.52
Extra Ordinary Items	–	(5,323.75)
<b>Total</b>	<b>11,355.63</b>	<b>(14,605.23)</b>
<b>Cash generated from operations</b>	<b>45,310.59</b>	<b>10,436.36</b>
Less: Income Tax paid	2,204.04	619.77
<b>Net cash inflow from operating activities</b>	<b>43,106.55</b>	<b>9,816.59</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment	(3,020.56)	(3,017.27)
Decommissioning of PPE	332.96	311.85
Payments for purchase of investments	–	–
Loans to employees and related parties & Security Deposit	(27.07)	793.97
Proceeds from sale of investments	–	4,588.48
Proceeds from sale of property, plant and equipments	–	0.13
Dividends received	–	–
Interest received	81.63	684.00
<b>Net Cash Flow from investing activities</b>	<b>(2,633.04)</b>	<b>3,361.16</b>





## Cash Flow Statement (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

	2017	2016
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	–	–
Proceeds/Repayments of borrowings (Net)	(33,455.62)	(5,648.21)
Interest paid	(5,157.25)	(7,580.68)
Dividends paid to company's shareholders	(794.95)	–
Dividends paid to non-controlling activities	–	–
<b>Net cash inflow (outflow) from financing activities</b>	<b>(39,407.82)</b>	<b>(13,228.89)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,065.69</b>	<b>(51.14)</b>
Net increase or decrease in cash and cash equivalents during the year	1,065.69	(51.15)
Cash and cash equivalents at the beginning of the financial year	1,262.19	1,313.34
Effects of exchange rate changes in cash and cash equivalents	–	–
Cash and cash equivalents at the end of the financial year	2,327.88	1,262.19

As per our Report of even date

For **Batliboi and Purohit**

Chartered Accountants

Firm Registration No. 101048W

**R.D. Hangekar**

Partner

M. No. 030615

Place: Mumbai

Date: 25th May 2017

For and on behalf of the Board

Director **M.P. Taparia**Director **P.N. Kapadia**Director **Lt. Gen. (Retd.) Utpal Bhattacharyya**Executive Director **Rajendra Jain**Company Secretary **Brajmohan Prasad**



## Significant Accounting Policies

for the year ended 31st March, 2017

### Note 1

#### a. Basis of preparation of financial statements:

The financial statements of West Coast Paper Mills Ltd., are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under section 133 of the Companies Act, 2013, and the relevant provisions thereof.

The company has adopted all the Ind AS standards and the adoption was carried out in accordance with the Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Generally Accepted Accounting Principles as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in note 55.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has prepared these financial statements as per the format prescribed in Schedule III to The Companies Act, 2013.

#### b. Use of Estimates:

The preparation of the financial statements in conformity with the Ind AS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### c. Property, Plant and Equipments (PPE):

- Property Plant and Equipments are stated at cost of acquisition (net of Cenvat and VAT wherever applicable) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use.
- Assets under installation or under construction as at balance sheet date are shown as Capital work in progress together with project expenses.
- "Property, plant and equipment" requires the cost of an item of property, plant and equipment to include the initial estimate of the costs of dismantling/decommissioning and removing the

asset and restoring the site on which it is located. Ind AS requires the liability, both initially and subsequently, to be measured at the amount required to settle the present obligation at the end of the reporting period, reflecting a current market-based discount rate.

#### Intangible Assets:

- Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion & impairment, if any.
- Intangible assets are depreciated as per the provisions of the Accounting Standards mentioned under sub-para (i) or (ii) of the schedule II of the Companies Act 2013.

#### d. Depreciation & Amortisation:

The company depreciates property, plant and equipment over their estimated useful lives as per the provisions of the Schedule II of the Companies Act, 2013. The estimated useful lives of assets are as follows:

Sr. No.	Particulars	Useful Life
1	Plant and Machinery*	18
2	OFC Plant & Machinery*	15
3	JFTC Plant & Machinery*	18
4	Coal Handling Plant*	10
	Other Assets	
5	Factory Buildings	30
6	Non Factory Buildings	60
7	Office Equipments	5
8	Computers & Computer Software	3
9	Motor Vehicles	8

\*Based on technical evaluation, the management believes that the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under part C of Schedule II of the Companies Act 2013.

Coal handling plant (S.No.4) has been identified as component and is being depreciated over its useful life.

In respect of incremental cost arising on account of realized gain / loss on foreign currency liability for acquisition of fixed assets, depreciation is provided over the remaining residual life of the respective assets.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.



## Significant Accounting Policies (Contd.)

for the year ended 31st March, 2017

### e. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. The impairment loss recognized in the prior accounting years is reversed if there has been a change in the estimate of recoverable amount.

### f. Investments:

Current investments are carried at the lower of cost or quoted/ fair value, computed category-wise. Long term investments are stated at cost and provision is made for any diminution in such value, which is not temporary in nature.

### g. Valuation of Inventories:

- Inventories of raw materials, stores, spares, machinery parts, building materials, loose tools etc. are valued at weighted average cost, after providing for obsolescence, if any.
- Work in process is valued at cost.
- Finished goods & Stock-in-trade are valued at lower of cost or net realizable value.
- Stock of scrap is valued at realizable value.
- Biological assets other than bearer plants which are matured and have market value are valued at fair value and Biological Assets immature are valued at cost.

### h. Revenue recognition:

- Revenue is recognized on transfer of significant risks and rewards of ownership to the buyer. and are adjusted for Discounts (net), Sales Tax/ VAT and foreign exchange differences. Turnover is inclusive of Excise Duty and exclusive of goods returned.
- Export Incentive Scheme Benefits are recognized on accrual basis.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

### i. Research and Development Expenditure:

Revenue expenditure on research & development is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

### j. Employee Benefits:

- Contribution to Provident Fund is accounted for on accrual basis. The Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust is not lower than statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company. Such shortfall on account of interest, if any, is recognized in the Statement of Profit and Loss.
- Company's defined contributions made to Pension Fund of Government and Superannuation Scheme of Life Insurance Corporation of India are charged to the Statement of Profit and Loss on accrual basis.
- Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.
- The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains or losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income.

### k. Foreign Currency Transactions:

- Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions.
- Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the Statement of Profit & Loss.
- Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition or construction of fixed assets, in which case they are adjusted to the carrying cost of such assets in accordance with the exemption under Para D13AA of Ind AS 101.

### l. Financial Liability:

- Financial Liabilities are subsequently carried at amortized cost using the effective interest method, except for loans where the difference between IRR and normal rate of interest was immaterial.



## Significant Accounting Policies (Contd.)

for the year ended 31st March, 2017

- Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when they are ready for their intended use and other borrowing costs are charged to Statement of Profit & Loss.

### **m. Financial Assets:**

Financial assets are measured at transaction price. Transaction costs those are directly attributable to the acquisition or issue of financial assets.

### **n. Borrowing Cost:**

Borrowings costs that are attributable to the acquisition or construction of qualifying assets upto the date when they are ready for their intended use and other borrowing costs are charged to profit and loss account.

### **o. Taxation:**

- Provision for Taxation is determined on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.
- Deferred Tax resulting from “temporary difference” between the carrying amount of an

asset or liability in the balance sheet and its tax base book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future.

### **p. Contingent Liabilities:**

Claims against the Company not acknowledged as debts are treated as Contingent Liabilities. Provision in respect of contingent liabilities if any, is made when it is probable that a liability may be incurred and the amount can be reasonably estimated.

### **q. Leases:**

- Lease payments under the operating lease are recognized as an expense in the statement of profit and loss .
- Leases under which the company assumes substantially all the risk and rewards of ownership are classified as finance lease. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.



# Notes on Financial Statements

for the year ended 31st March, 2017

(₹ in Lakhs)

## Note 2 PROPERTY, PLANT AND EQUIPMENTS

Sr. No.	Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Furnitures and Fixtures	Other Assets	Total
	<b>Gross carrying value as at 1st April 2015</b>	<b>61.61</b>	<b>156.11</b>	<b>21,500.96</b>	<b>187,105.41</b>	<b>344.12</b>	<b>999.42</b>	<b>211,205.22</b>
1	Additions	-	-	93.42	2,696.90	18.21	113.65	2,922.18
2	Effect of foreign exchange gain	-	-	-	1,037.59	-	-	-
3	Deletions	-	-	-	(80.61)	(0.25)	(0.95)	(81.80)
	<b>Gross carrying value as at 31st Mar 2016</b>	<b>61.61</b>	<b>156.11</b>	<b>21,594.38</b>	<b>190,759.30</b>	<b>362.08</b>	<b>1,112.12</b>	<b>214,045.60</b>
	<b>Accumalated Depreciation as at 1st April 2015</b>	<b>-</b>	<b>-</b>	<b>10,007.74</b>	<b>83,099.43</b>	<b>216.17</b>	<b>784.36</b>	<b>94,107.69</b>
1	Accumalated depreciation on deletion	-	-	-	(75.30)	(0.15)	(0.76)	(76.21)
2	Depreciation	-	-	1,048.22	10,288.15	19.35	73.04	11,428.56
3	Effect on foreign currency	-	-	-	-	-	-	-
	<b>Accumalated Depreciation as at 31st Mar 2016</b>	<b>-</b>	<b>-</b>	<b>11,055.96</b>	<b>93,312.28</b>	<b>235.37</b>	<b>856.64</b>	<b>105,460.04</b>
	<b>Net carrying value as at 31st Mar 2016</b>	<b>61.61</b>	<b>156.11</b>	<b>10,538.42</b>	<b>97,447.02</b>	<b>126.71</b>	<b>255.49</b>	<b>108,581.28</b>
	Gross carrying value as at 1st Apr 2016	61.61	156.11	21,594.38	190,759.30	362.08	1,112.12	214,045.60
1	Additions	-	-	154.21	2,301.57	67.09	115.62	2,638.49
2	Reclassified as held for sale	-	-	(265.63)	(913.91)	-	-	(1,179.54)
3	Effect of foreign exchange gain	-	-	-	(105.17)	-	-	(105.17)
4	Deletions	-	-	(129.39)	-	-	-	(129.39)
	<b>Gross carrying value as at 31st Mar 2017</b>	<b>61.61</b>	<b>156.11</b>	<b>21,353.57</b>	<b>192,041.79</b>	<b>429.17</b>	<b>1,227.74</b>	<b>215,269.99</b>
	<b>Accumalated Depreciation as at 1st Apr 2016</b>	<b>-</b>	<b>-</b>	<b>11,055.96</b>	<b>93,312.28</b>	<b>235.37</b>	<b>856.64</b>	<b>105,460.24</b>
1	Eliminated on disposal of asset	-	-	(114.77)	-	-	-	(114.77)
2	Depreciation	-	-	962.15	10,000.15	19.44	95.12	11,076.87
3	Assets held for sale	-	-	(204.52)	(786.08)	-	-	(990.60)
4	Effect on foreign currency	-	-	-	-	-	-	-
	<b>Accumalated Depreciation as at 31st Mar 2017</b>	<b>-</b>	<b>-</b>	<b>11,698.82</b>	<b>102,526.35</b>	<b>254.80</b>	<b>951.75</b>	<b>115,431.74</b>
	<b>Net carrying value as at 31st Mar 2017</b>	<b>61.61</b>	<b>156.11</b>	<b>9,654.75</b>	<b>89,515.44</b>	<b>174.36</b>	<b>275.99</b>	<b>99,838.24</b>

- Buildings are constructed on leasehold land for which company pays only ground rent except Non Factory buildings worth ₹ 188.03 Lakhs ( Previous Year ₹ 188.03 Lakhs)
- Lease hold land represents the amount paid to Karnataka Industrial Area Development Board ( KIADB), Bangalore against allotment of land at Kesaroli Village Haliyal on Lease cum sale basis.
- During the current year, foreign exchange fluctuation gain amounting to ₹ 105.17 Lakhs (Previous year ₹ 1037.59 Lakhs) has been capitalized to the block of plant & machinery pursuant to Notification no. G.S.R. 913(E) dated 29.12.2011, applicable up to March 31, 2020. Notional exchange rate variation capitalized till 31.03.2017 is ₹ 2927.80 Lakhs.



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

Note 3 CAPITAL WORK IN PROGRESS	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Opening Balance	335.17	230.05	492.20
Add: Additions during the year	1,842.07	2,028.23	2,286.69
	<b>2,177.24</b>	<b>2,258.28</b>	<b>2,778.88</b>
Less: Capitalised during the year	1,575.82	1,923.11	2,548.84
<b>Closing Balance</b>	<b>601.42</b>	<b>335.17</b>	<b>230.05</b>

Note 4 INVESTMENT PROPERTIES	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Gross carrying value</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>
Additions	–	–	–
Deletion	–	–	–
<b>Closing gross carrying value</b>	<b>14.34</b>	<b>14.34</b>	<b>14.34</b>
<b>Accumulated depreciation</b>	<b>10.27</b>	<b>10.06</b>	<b>10.06</b>
Depreciation for the year	0.20	0.21	–
<b>Closing accumulated depreciation</b>	<b>10.48</b>	<b>10.27</b>	<b>10.06</b>
<b>Net carrying value of investment properties</b>	<b>3.86</b>	<b>4.07</b>	<b>4.28</b>
<b>Amount recognized in profit or loss from investment properties</b>			
<b>Rental income</b>	<b>5.58</b>	<b>–</b>	<b>–</b>
Direct operating expenses from property that generated rental income	4.23	–	–
Direct operating expenses from property that did not generated rental income	–	2.5	2.43
Profit from investment properties before depreciation	1.35	(2.50)	(2.43)
Depreciation	0.20	0.21	0.21
<b>Profit from investment properties</b>	<b>1.14</b>	<b>(2.71)</b>	<b>(2.64)</b>
<b>Fair value of the investment properties</b>	<b>284</b>	<b>255</b>	<b>230</b>

Note 5 INTANGIBLE ASSETS	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Gross carrying value</b>	<b>325.61</b>	<b>325.61</b>	<b>325.61</b>
Additions	272.62	–	–
Deletions	–	–	–
<b>Closing gross value</b>	<b>598.23</b>	<b>325.61</b>	<b>325.61</b>
Accumulated amortization	314.51	307.12	307.12
Amortization expense	19.57	7.39	–
Closing accumulated amortization	<b>334.08</b>	<b>314.51</b>	<b>307.12</b>
<b>Net carrying value of intangible assets</b>	<b>264.15</b>	<b>11.10</b>	<b>18.50</b>



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

Note 6	BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
	<b>Opening balance</b>	3,963.27	4,604.64	4,604.64
	Expenses during the year	903.65	2,104.91	–
	Consumption during the year	2,397.18	2,746.28	–
	<b>Closing balance</b>	<b>2,469.74</b>	<b>3,963.27</b>	<b>4,604.64</b>
	<b>Reconciliation</b>			
	<b>Non-current assets</b>			
	Immature crops	2,319.14	3,812.27	4,374.26
	<b>Total non-current assets</b>	<b>2,319.14</b>	<b>3,812.27</b>	<b>4,374.26</b>
	<b>Current assets</b>			
	Matured crops	150.61	150.99	230.38
	<b>Total current assets</b>	<b>150.61</b>	<b>150.99</b>	<b>230.38</b>
	<b>Total biological assets other than bearer plants</b>	<b>2,469.74</b>	<b>3,963.27</b>	<b>4,604.64</b>

Note 7	INVESTMENTS	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
	<b>Non Current</b>			
	<b>Investment in Associates</b>			
	<b>Quoted</b>			
	21,124,791 Equity Shares of ₹ 10 each of Shree Rama Newsprint Ltd. (Associate up to 26.08.2015)	–	–	4,540.86
	<b>Unquoted</b>			
	1,850,130 Equity Shares of ₹ 100 each of Speciality Coatings & Lamination Limited	–	–	–
	4,016,680 Equity Shares of ₹ 10 each of Fort Gloster Industries Limited	–	–	–
	<b>Total Investment in associates</b>	<b>–</b>	<b>–</b>	<b>4,540.86</b>
	<b>Others</b>			
	<b>Quoted</b>			
	542,399 Equity Shares of ₹ 10 each of Jayashree Chemicals Ltd	94.96	94.96	94.96
	Less : Provision for Diminution in value of investments	(47.61)	(47.61)	–
		47.35	47.35	94.96
	<b>Unquoted</b>			
	20,943 Equity Shares of ₹ 10 each of Kilkotagiri and Thirumbadi Plantations Ltd.,	35.27	35.27	35.27
	37 Equity Shares of ₹ 100 each of Placid Limited	0.01	0.01	0.01
	<b>Investments in Government securities</b>			
	6 Year National Savings Certificate	0.10	0.10	0.10
		<b>35.38</b>	<b>35.38</b>	<b>35.38</b>
	<b>Total Investment in others</b>	<b>82.73</b>	<b>82.73</b>	<b>130.34</b>
	<b>Total Investments</b>	<b>82.73</b>	<b>82.73</b>	<b>4,671.20</b>
	Aggregate amount of quoted investments	94.96	94.96	4635.82
	Aggregate market value of quoted investments	65.90	39.81	1286.77
	Aggregate amount of unquoted investments	35.28	35.28	35.28
	Aggregate provision for diminution in value of investment	47.61	47.61	–





## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

Note 8	LOANS	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
	<b>Non-current</b>			
	a) Security deposit			
	Secured considered good	–	–	–
	Unsecured considered good	205.57	175.40	171.26
	Considered doubtful	–	–	–
	b) Loans to related parties			
	Secured considered good	–	–	–
	Unsecured considered good	–	–	806.02
	Considered doubtful	–	–	–
	<b>Total non-current loans</b>	<b>205.57</b>	<b>175.40</b>	<b>977.28</b>
	<b>Current</b>			
	a) Other loans			
	Loans to employees			
	Unsecured, considered good	38.43	41.52	33.61
	<b>Total current loans</b>	<b>38.43</b>	<b>41.52</b>	<b>33.61</b>
	<b>Total Loans</b>	<b>243.99</b>	<b>216.92</b>	<b>1,010.89</b>

Note 9	OTHER NON-CURRENT ASSETS	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
	Capital advances			
	Advance other than capital advances	–	–	–
	Security deposits with State Forest Dept	–	30.46	30.46
	Deposit with customs	50	50	50.00
	<b>Total other non-current assets</b>	<b>50.00</b>	<b>80.46</b>	<b>80.46</b>

Note 10	INCOME TAX ASSETS (NET)	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
	MAT credit entitlement	7,852.53	4,198.29	3,600.36
	Advance tax / Tax paid at source (net of provision)	434.45	1,884.65	1,862.81
	<b>Total Income tax assets (net)</b>	<b>8,286.98</b>	<b>6,082.94</b>	<b>5,463.17</b>

Note 11	INVENTORIES	As at		
		March 31, 2017	March 31, 2016	April 01, 2015
	Raw materials (at weighted average cost)	12,561.02	17,941.51	14,569.54
	Raw materials in transit	–	1.44	1,424.39
	Work in progress (at cost)	470.73	580.35	653.41
	Finished goods (at cost)	2,064.36	4,381.23	8,268.35
	Finished goods in transit	–	84.74	219.14
	Stores and spares (at weighted average cost)	12,915.20	14,277.35	14,031.74
	Loose tools (at cost)	217.00	211.06	200.25
	Stock at scrap (at realizable value)	38.84	26.85	129.31
	<b>Total inventories</b>	<b>28,267.15</b>	<b>37,504.52</b>	<b>39,496.12</b>



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

<b>Note 12</b>	<b>TRADE RECEIVABLES</b>	<b>As at</b>		
		<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
	<b>Current</b>			
	Secured considered good	–	–	–
	Unsecured considered good	12,831.13	11,804.01	12,499.23
	Considered Doubtful	102.62	–	–
		<b>12,933.75</b>	<b>11,804.01</b>	<b>12,499.23</b>
	Less: Allowances for credit losses	102.62	–	–
	<b>Total trade receivables</b>	<b>12,831.13</b>	<b>11,804.01</b>	<b>12,499.23</b>
<b>Note 13</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>As at</b>		
		<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
	<b>Balance with banks</b>			
	In Current account	1,378.22	594.59	636.48
	In Deposit Accounts	10.25	10.25	18.75
	In Unpaid Dividend Accounts	42.11	44.13	57.99
	In Margin Money deposits against guarantee	888.42	596.69	566.69
	Cash on hand	8.87	16.53	33.43
	<b>Total Cash and Cash Equivalents</b>	<b>2,327.88</b>	<b>1,262.19</b>	<b>1,313.34</b>
<b>Note 14</b>	<b>OTHER FINANCIAL ASSETS</b>	<b>As at</b>		
		<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
	<b>Current</b>			
	Security Deposits	314.89	389.10	409.68
	<b>Total other financial assets</b>	<b>314.89</b>	<b>389.10</b>	<b>409.68</b>
<b>Note 15</b>	<b>OTHER CURRENT ASSETS</b>	<b>As at</b>		
		<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
	Capital advance	1,183.39	504.20	211.76
	Advances other than capital advance			
	a) Payment to vendors for supply of goods	1,723.23	598.75	836.49
	Others			
	a) Prepaid expenses	289.20	129.11	159.54
	b) Other Assets	143.20	214.88	155.29
	c) Balances with Government authorities	1,851.15	1,302.96	2,491.79
	<b>Total other current assets</b>	<b>5,190.17</b>	<b>2,749.90</b>	<b>3,854.87</b>
<b>Note 16</b>	<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>	<b>As at</b>		
		<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
	Old Bleach Plant	39.81	–	–
	DG Set	127.83	–	–
		<b>167.64</b>	<b>–</b>	<b>–</b>

**Note :**

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification, resulting in recognition of a write down of ₹ 21.31 Lakhs as impairment loss in the statement of profit and loss. The fair value of above assets was determined using the sales comparison approach.



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

Note 17 EQUITY SHARE CAPITAL	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Authorized			
Equity Share ₹ 2/- each	3,000.00	3,000.00	3,000.00
Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each	6,500.00	6,500.00	6,500.00
<b>Total</b>	<b>9,500.00</b>	<b>9,500.00</b>	<b>9,500.00</b>
Issued, Subscribed and Paid-Up			
Equity Shares ₹ 2/- each Fully paid up	1,320.98	1,320.98	1,320.98
<b>Total Equity share capital</b>	<b>1,320.98</b>	<b>1,320.98</b>	<b>1,320.98</b>

Movements in equity share capital	No. of shares	₹ in Lakhs
<b>As at 1st April 2015</b>	<b>66048908</b>	<b>1,320.98</b>
Shares issued during the year	–	–
Shares bought back during the year	–	–
Redemption of shares	–	–
<b>As at 31st March 2016</b>	<b>66048908</b>	<b>1,320.98</b>
Shares issued during the year	–	–
Shares bought back during the year	–	–
Redemption of shares	–	–
<b>As at 31st March 2017</b>	<b>66048908</b>	<b>1,320.98</b>

## Details of shareholders holding more than 5% shares

Name of share holders	As at			
	March 31, 2017		March 31, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Veer Enterprises Pvt Ltd	10597100	16.04	10597100	16.04
Shree Satyanarayan Investments Co., Ltd.	10312973	15.61	10312973	15.61
Reliance Capital Trustee Co. Ltd., A/c Reliance Small cap fund	4756257	7.20	3398707	5.15

## Rights, preference and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs 2 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

Note 18 OTHER EQUITY	Reserves & Surplus					Other Comprehensive Income	Total
	Security Premium Account	Retained Earnings	Capital Redemption Reserve	Equity Share warrant forfeited	General Reserve	Other item of other comprehensive Income	
<b>Balance as on 1st April 2015</b>	14,572.54	(6,820.16)	6,500.00	277.50	36,934.35	(109.28)	51,354.95
Profit for the year	-	(46.50)	-	-	-	-	(46.50)
Remeasurement of net defined benefit liability/asset ( net of tax )	-	-	-	-	-	(177.45)	(177.45)
Dividends paid (including tax)	-	(794.95)	-	-	-	-	(794.95)
<b>Balance as on 31st March 2016</b>	14,572.54	(7,661.61)	6,500.00	277.50	36,934.35	(286.73)	50,336.05
<b>Opening as on 1st April 2016</b>	14,572.54	(7,661.61)	6,500.00	277.50	36,934.35	(286.73)	50,336.05
Profit for the year	-	12,850.17	-	-	-	-	12,850.17
Remeasurement of net defined benefit liability/asset (net of tax)	-	-	-	-	-	(592.19)	(592.19)
Dividends paid	-	-	-	-	-	-	-
<b>Balance as on 31st March 2017</b>	<b>14,572.54</b>	<b>5,188.55</b>	<b>6,500.00</b>	<b>277.50</b>	<b>36,934.35</b>	<b>(878.92)</b>	<b>62,594.02</b>

Note 19 NON-CURRENT BORROWINGS	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Secured at amortized cost</b>			
<b>i) Term Loans from banks</b>			
IDBI Bank Ltd.	-	9.01	196.18
IDBI Bank Ltd.	-	-	625.00
Axis Bank Ltd.	607.75	4,389.78	7,453.19
Standard Chartered Bank	8,240.15	-	-
State Bank of Mysore (Plantation)	1,783.14	3,285.68	3,281.79
<b>ii) Term Loans from Financial Institutions</b>			
International Finance Corporation [IFC, Washington, DC]	4,577.65	7,794.12	10,292.47
IFCI Ltd.	-	11,101.28	-
<b>Total term loans</b>	<b>15,208.69</b>	<b>26,579.87</b>	<b>21,848.63</b>
<b>Unsecured at amortized cost</b>			
<b>Other loans</b>			
<b>i) From banks</b>			
Yes Bank Ltd.	-	-	1,225.00
<b>ii) From Others</b>			
Interest Free Loan under Sales Tax Deferment Scheme from State Government of Karnataka	14,163.90	15332.77	16,470.72
<b>Total other loans</b>	<b>14,163.90</b>	<b>15332.77</b>	<b>17695.72</b>
<b>Total non-current borrowings</b>	<b>29,372.59</b>	<b>41,912.64</b>	<b>39,544.35</b>



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

### Nature of security

1. Loan of ₹ 75 Crores from Axis Bank Ltd., (excluding ₹ 37.50 Crores being current maturities) is secured by second charge on movable fixed assets both present and future at effective interest rate of 12.72%.
2. Loan of ₹ 120.56 Crores from SCB., (excluding ₹ 27.77 Crores being current maturities) is secured by way of hypothecation on all movable fixed assets both present and future at effective interest rate of 10.82%
3. Loan from State Bank of Mysore is secured by second charge on plant and machinery acquired / to be acquired under the project at effective rate of interest of 12.62%.
4. Term loan from IFC, Washington is secured by way of hypothecation on all movable fixed assets both present and future and are secured by equitable mortgage of immovable assets, both present and future on pari passu basis.
5. Interest free loan under Sales Tax Deferral Scheme availed from August 1994 to July 2016 of ₹ 66.88 Crores is being repaid in 12 installments yearly starting from August 2006. (Balance outstanding - ₹ 11.69 Crores excluding current maturities).

Interest free loan under Sales Tax Deferral Scheme availed from June, 2002 to June 2014 of Rs. 160.98 Crores is being repaid in 12 installments on a year to year basis from June, 2014 to June, 2025. (Balance outstanding - Rs. 141.64 Crores excluding current maturities).

- 6 There is no default in repayment of loans and interest.

### Terms of repayment of term loan and other loans

#### As at March 31, 2017

Particulars	Amount Outstanding	Terms of Repayment
<b>Term Loans</b>		
IFC, Washington	4,577.65	Six monthly installments
Axis Bank	607.75	Monthly installments
Standard Chartered Bank	8,240.15	Monthly installments
Interest free - Sales tax Loan	14,163.90	Yearly payment
State Bank of Mysore (Plantation)	1,783.14	Bullet repayment
<b>Total term loan</b>	<b>29,372.59</b>	

#### As at March 31, 2016

Particulars	Amount Outstanding	Terms of Repayment
<b>Term Loans</b>		
IFC, Washington	7,794.12	Six monthly installments
IFCI Ltd.,	11,101.28	Monthly installments
Interest free - Sales tax Loan	15,332.77	Yearly payment
IDBI Bank Ltd	9.01	Equal monthly installment
Axis Bank	4,389.78	Monthly installments
State Bank of Mysore (Plantation)	3,285.68	Bullet repayment
<b>Total term loan</b>	<b>41,912.64</b>	



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

As at April 1st, 2015

Particulars	Amount Outstanding	Terms of Repayment
<b>Term Loans</b>		
IFC, Washington	10,292.47	Six monthly installments
Axis Bank	7,453.19	Monthly installments
IDBI Bank Ltd	196.18	Equal monthly installment
IDBI Bank Ltd	625.00	Equal monthly installment
State Bank of Mysore (Plantation)	3,281.79	Bullet repayment
Interest free - Sales tax Loan	16,470.72	Yearly payment
<b>Total secured term loan</b>	<b>38,319.35</b>	
<b>Unsecured Term Loans</b>		
Yes Bank Ltd.	1,225.00	Bullet repayment
<b>Total unsecured term loan</b>	<b>1,225.00</b>	

Note 20 OTHER FINANCIAL LIABILITIES	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Non-current</b>			
Others-	-	-	-
Dealer Deposits	3,149.30	2,792.77	2,894.52
Employee Security Deposits	11.17	11.34	16.98
<b>Total non-current other financial liabilities</b>	<b>3,160.47</b>	<b>2,804.11</b>	<b>2,911.50</b>
<b>Current</b>			
Current maturities of long term debts	12,248.03	10,364.73	21,307.95
Interest accrued but not due on borrowings	141.71	169.32	311.09
Unpaid dividend	42.11	44.13	57.99
<b>Total current other financial liabilities</b>	<b>12,431.85</b>	<b>10,578.18</b>	<b>21,677.03</b>
<b>Total other financial liabilities</b>	<b>15,592.32</b>	<b>13,382.29</b>	<b>24,588.53</b>

Note 21 PROVISIONS	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Non-current</b>			
Provision for Employee benefit	584.65	409.58	423.97
<b>Total non-current provisions</b>	<b>584.65</b>	<b>409.58</b>	<b>423.97</b>
<b>Reconciliation</b>			
<b>Opening balance</b>	<b>409.58</b>	<b>423.97</b>	<b>393.94</b>
Additional provision recognized	194.56	0.61	45.03
Reduction arising from payments	19.49	15.00	15.00
<b>Closing balance</b>	<b>584.65</b>	<b>409.58</b>	<b>423.97</b>



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

Note 21 PROVISIONS (contd.)	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Current</b>			
Provision for Employee benefit	776.90	438.83	147.50
Other provisions	–	–	–
Proposed Dividends	–	660.49	–
Tax on Proposed Dividends	–	134.46	–
Accrued Salaries and benefits	1,776.32	2,596.15	1,399.37
Liability for expenses	1,736.36	1,423.62	1,237.77
	<b>4,289.58</b>	<b>5,253.55</b>	<b>2,784.64</b>
<b>Reconciliation</b>			
<b>Opening balance</b>	<b>5,253.55</b>	<b>2784.64</b>	<b>2761.82</b>
Additional provision recognized	4,251.06	5370.39	2874.17
Reduction arising from payments	5,215.03	2901.47	2851.36
<b>Closing balance</b>	<b>4,289.58</b>	<b>5,253.55</b>	<b>2,784.64</b>

Note 22 DEFERRED TAX LIABILITIES	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liabilities on account of WDV of fixed assets	15,728.73	16,164.99	16,320.35
	<b>15,728.73</b>	<b>16,164.99</b>	<b>16,320.35</b>
Deferred tax assets on account of:			
Carried forward of unabsorbed depreciation	–	4,075.78	6,494.26
Disallowances under section 43B of Income Tax Act	429.61	383.18	284.05
Long term capital loss carried forward	–	1,046.27	–
Adjustments to Ind AS	1,138.96	1,047.50	923.10
ASI - 3 Tax Holiday	654.77	1,044.56	1,477.40
	<b>2,223.34</b>	<b>7,597.29</b>	<b>9,178.81</b>
<b>Total deferred tax liabilities</b>	<b>13,505.39</b>	<b>8,567.70</b>	<b>7,141.54</b>

Note 23 OTHER NON-CURRENT LIABILITIES	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Decommissioning & Dismantling liability	6,127.69	5,794.73	5,482.88
<b>Total other non-current liabilities</b>	<b>6,127.69</b>	<b>5,794.73</b>	<b>5,482.88</b>
Reconciliations			
<b>Opening Balance</b>	5794.73	5482.88	
Unwinding of discounts and effect of change in discount rate	332.96	311.86	5,482.88
Reduction arising from payments	–	–	–
<b>Closing balance</b>	<b>6,127.69</b>	<b>5794.73</b>	<b>5482.88</b>





## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

<b>Note 24</b> <b>CURRENT BORROWINGS</b>	<b>As at</b>		
	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
<b>Current</b>			
<b>Secured</b>			
Loan repayable on demand from banks*	8,364.90	21,125.63	29,150.30
<b>Unsecured</b>			
Loan repayable on demand from banks	–	986.30	978.13
<b>Total current borrowings</b>	<b>8,364.90</b>	<b>22,111.93</b>	<b>30,128.43</b>

\* The working capital facilities from Banks are secured by Joint Hypothecation of Stores, Spares, Raw Materials, Stock-in-process, Finished Goods, Book Debts etc., ranking pari-passu charge

<b>Note 25</b> <b>TRADE PAYABLES</b>	<b>As at</b>		
	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Trade Payables	14,799.25	19,934.45	24,944.77
<b>Total trade payables</b>	<b>14,799.25</b>	<b>19,934.45</b>	<b>24,944.77</b>

<b>Note 26</b> <b>OTHER CURRENT LIABILITIES</b>	<b>As at</b>		
	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Creditors for capital expenditure	–	127.62	157.89
Other statutory liabilities	1,585.53	1,536.53	1,556.59
Other liabilities for expenses	694.91	277.46	29.98
Other liabilities	2,108.18	2,102.16	1,294.46
<b>Total other current liabilities</b>	<b>4,388.62</b>	<b>4,043.77</b>	<b>3,038.92</b>



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

<b>Note 27</b>	<b>REVENUE FROM OPERATIONS</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Sales of Products (including excise duty)</b>		
	Paper and Board	179,476.75	171,336.71
	Cables	7,537.29	8,595.55
	Wind Power	14.15	21.09
	Other Operating Revenues	643.13	505.44
	<b>Total revenue from operations</b>	<b>187,671.32</b>	<b>180,458.79</b>

<b>Note 28</b>	<b>OTHER INCOME</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Interest Income</b>		
	From Banks	69.31	62.88
	From Others	12.32	621.12
	<b>Other Non - Operating Income (net)</b>		
	Other Income	155.47	83.18
	<b>Total other income</b>	<b>237.11</b>	<b>767.18</b>

<b>Note 29</b>	<b>COST OF MATERIAL CONSUMED</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	Pulp Wood, Pulp & Waste Paper	73,194.82	75,891.82
	Chemicals & Dyes	21,249.16	20,441.62
	Packing Materials	5,098.10	5,093.42
	<b>Total cost of material consumed</b>	<b>99,542.08</b>	<b>101,426.86</b>

<b>Note 30</b>	<b>EXCISE DUTY ON SALE OF GOODS</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	Excise duty on sale of goods	10,737.11	10,454.61
	<b>Total excise duty on sale of goods</b>	<b>10,737.11</b>	<b>10,454.61</b>

<b>Note 31</b>	<b>CHANGES IN INVENTORY OF WORK IN PROGRESS AND FINISHED GOODS</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	
	<b>Opening Stock of Finished Goods</b>				
	- Paper and Board	4,106.91		8,476.27	
	- O. F. C. Cables, etc.	359.06	4,465.97	11.22	8,487.49
	<b>Closing Stock of Finished Goods</b>				
	- Paper and Board	1,865.74		4,106.91	
	- O.F.C. Cables, etc.	198.62	2,064.36	0.33	4,107.24
			2,401.61		4,380.25
	<b>Opening Stock of Work-in-progress</b>	580.35		653.41	
	<b>Closing Stock of Work-in-progress</b>	470.73	109.62	580.35	73.06
			109.62		73.06
	Variation in Excise Duty on Opening and Closing Stock of Finished Goods		(135.83)		(269.04)
	<b>Total change in inventory of WIP and Finished goods</b>		<b>2,375.40</b>		<b>4,184.27</b>



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

<b>Note 32</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	Salaries, Wages and Bonus	9,840.88	9,938.85
	Provident & Family Pension Funds	835.82	605.78
	Employees State Insurance	6.91	15.99
	Gratuity Fund	124.44	119.37
	Superannuation Fund	32.24	29.57
	Employees Group Insurance	20.51	19.26
	Leave Encashment	175.07	(14.39)
	Staff Welfare Expense	798.28	696.69
	<b>Total employee benefit expenses</b>	<b>11,834.16</b>	<b>11,411.12</b>

<b>Note 33</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	Depreciation on Property, Plant and Equipments	11,057.10	11,428.56
	Depreciation on Investment Properties	0.20	0.21
	Amortisation of Intangible Assets	19.57	7.39
	<b>Total Depreciation and Amortisation</b>	<b>11,076.87</b>	<b>11,436.16</b>

<b>Note 34</b>	<b>IMPAIRMENT OF ASSETS</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	Impairment loss on Non-Current Asset classified as held for sale	21.31	-
	<b>Total impairment expenses</b>	<b>21.31</b>	<b>-</b>

<b>Note 35</b>	<b>OTHER EXPENSES</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	
	Consumption of Stores & Spare Parts		5,661.26		4,887.09
	Power, coal and water		15,044.77		15,340.65
	Rent		190.07		202.27
	Repair and maintenance of Buildings		1,230.33		859.26
	Repair and maintenance of Plant and Machinery		1,380.94		1,180.93
	Repair and maintenance of Other Assets		279.88		218.91
	Insurance		111.44		111.49
	Rates & Taxes		31.45		45.58
	Research & Development Expenses		56.09		44.90
	Miscellaneous Expenses		1,184.33		1,527.15
	<b>Payment to Auditors</b>				
	As Auditors	14.00		14.00	
	For limited review under listing agreement	1.50		1.50	
	For Taxation Matters	4.50		4.50	
	For Other Services	0.16		6.78	
	Reimbursement of Expenses	4.87	25.03	4.33	31.11
	Cost Auditors' Remuneration & Expenses		1.25		1.50
	Forwarding Charges on Sales		2,173.02		2,032.37
	Commission on Sales		964.70		1,108.73



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

<b>Note 35</b>	<b>OTHER EXPENSES (contd.)</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	
	Provision for Bad Debts irrecoverable advance W/off		102.62		27.41
	Commission to Director		676.15		276.37
	<b>Directors' Fees &amp; Expenses</b>				
	Sitting Fees	4.40		4.54	
	Travelling Expenses	23.43	27.83	19.99	24.53
	Charity & Donations		34.15		40.60
	Corporate Social Responsibility Expenses		59.87		28.82
	Swatch Bharath Cess		126.61		33.86
	Obsolete Assets Written Off		14.62		5.30
	Loss on Sale of Fixed Assets		-		0.13
	<b>Total other expenses</b>		<b>29,376.40</b>		<b>28,028.96</b>

<b>Note 36</b>	<b>FINANCE COSTS</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	
	<b>Interest Expense:</b>				
	Term Loans		2,820.47		3,030.75
	Others (net)		1,822.37		3,547.53
	Other Borrowing Costs		789.78		166.54
	Applicable Net Loss ( Gain ) on Foreign Currency Transactions & Translation		(275.37)		835.86
	<b>Total Finance costs</b>		<b>5,157.25</b>		<b>7,580.68</b>
	<b>Reconciliation</b>				
	Interest on bank overdrafts and Loans(other than those from related parties)		4,686.70		6,324.85
	Other Interest expense		412.96		419.97
	Applicable Net Loss (Gain) on Foreign Currency Transactions & Translation		(275.37)		376.28
	Unwinding of discounts on provisions		332.96		459.58
	<b>Total finance costs</b>		<b>5,157.25</b>		<b>7,580.68</b>

<b>Note 37</b>	<b>EXCEPTIONAL ITEMS</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	
	Refer Note No. 52 of Note on Financial Statements		0		5,323.75
			<b>0</b>		<b>5,323.75</b>

<b>Note 38</b>	<b>INCOME TAX EXPENSE</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	
	<b>Current Tax Expense</b>				
	Current Tax on profits for the year		3,654.24		597.74
	Mat Credit Entitlement for the year		(3,654.24)		-597.74
	<b>Total Current Tax Expense</b>		<b>-</b>		<b>-</b>
	<b>Deferred Tax</b>				
	<b>Decrease / (Increase) in deferred tax assets</b>				
	Property, Plant and Equipments		(436.26)		(155.36)



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(₹ in Lakhs)

Note 38	INCOME TAX EXPENSE (contd.)	31.03.2017	31.03.2016
	<b>(Decrease) / Increase in deferred tax liabilities</b>		
	Disallowance under section 43B	(46.43)	(99.14)
	ASI - 3 tax holiday claim	389.78	433.99
	Carry Forward Losses	4,075.78	2,418.48
	Adjustments to Ind AS	(92.69)	(124.40)
	Long term Capital Loss	1,047.50	(1,047.50)
	<b>Total Deferred Tax Expense / (benefit)</b>	<b>4,937.68</b>	<b>1,426.07</b>
	<b>Total income tax expense</b>	<b>4,937.68</b>	<b>1,426.07</b>

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

Note 39	CONTINGENT LIABILITIES AND COMMITMENTS	As at March 31, 2017	As at March 31, 2016
	<b>Particulars</b>		
	<b>Contingent Liabilities &amp; Commitments</b>		
	<b>a. Contingent Liabilities :</b>		
	I. Claims against the Company not acknowledged as debts in respect of		
	a. Income tax matters, pending decisions on various appeals made by the Company and by the Department (refer notes 1 – 4 below)	19.74	271.18
	b. Excise matters & Service Tax under dispute	91.46	90.88
	c. Custom matter under dispute	439.03	439.03
	d. Sales Tax matter under dispute	30.66	30.66
	e. Other matters under dispute	3,132.36	2,100.00
	II. Other money for which the company is contingently liable :		
	a. Guarantees Issued by Banks	3,992.37	4,425.57
	b. Letters of Credit outstanding	5,197.15	3,373.50
	c. ICICI Bank Ltd (refer note 5 below)	4,000.00	4,000.00
	<b>b. Commitments :</b>		
	I. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance)	6,951.42	845.83

### Notes :

- The Income tax assessments of the Company have been completed up to AY 2013-14.
- The total demand outstanding as on 31.3.2017 on account of income tax dues is ₹ 19.74 lakhs. (₹ 271.18 lakhs). The Company is expecting further refund from Income Tax Department as a result of favourable orders of Income Tax Appellate Tribunal and the said demand of ₹ 19.74 lakhs will get adjusted against the refund due to the Company.
- The Company and the Income Tax Department are in appeal before the appellate authorities in respect of various years. Since most of the issues raised in these years are already covered by the decision of Hon'ble Income Tax Appellate Tribunal in Company's favour, the Company has been legally advised that the demands are likely to be either deleted or substantially reduced in the appeals before Appellate Authorities and in view of this, the Company has decided to adjust the excess/short provision, if any, after the appeals are disposed off.
- The Company and the Income Tax Department are in appeal before the High Court of Bombay on various grounds decided by the Income Tax Appellate Tribunal. The Company has therefore not recorded adjustment of taxes/orders in the books.
- The Company had entered into Share Purchase Agreement with Riddhi Siddhi Gluco Biols Ltd., ("Acquirer") on 21.05.2015 for sale of its Long Term Investments of 2,11,24,791 equity shares of Shree Rama Newsprint Ltd.(SRNL).



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

Accordingly a Loan Purchase Agreement was executed for ₹ 40 crores between the company and ICICI bank Ltd stipulating that in case SRNL defaults in payment of its debts obligation towards ICICI Bank Ltd, then the Company will have to purchase loan on notice from ICICI Bank Ltd and in such case security of the underlying agreement will be transferred to the Company.

Note 40	LEASE	₹
	Total amount of minimum future lease payments are as follows :	
	a) Not later than one year :	7,36,541/-
	b) One to five year :	29,46,164/-
	c) More than Five year :	1,84,13,525/-

Note : Lease agreement for factory land measuring 289.68 acres has expired on 28.06.2016. The company has applied to the Govt. for renewal of the lease agreement. The same is pending for the renewal as on 31.03.2017. Lease payments not later than 1 year, 1 – 5 years & more than 5 years has been considered on the basis of 25% increase in current lease rent paid to Govt. Increase has been worked out as per the past trend for renewed lease.

Note 41	EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 :	As at March 31, 2017	As at March 31, 2016
Particulars			
	Earnings		
	Profit for the year	12,850.16	(46.50)
	Shares		
	Number of shares at the beginning of the period	66,048,908	66,048,908
	Add : Shares issued during the period	–	–
	Total number of equity shares outstanding at the end of the period	66,048,908	66,048,908
	Weighted average number of equity shares outstanding during the period	66,048,908	66,048,908
	Earnings per share of par value ₹ 2 - Basic (₹)	19.46	(0.07)
	Diluted (₹)	19.46	(0.07)

### Note 42 RELATED PARTY DISCLOSURES AS PER IND AS 24

#### I. Relationship :

##### a. Associate Company

- 1) Fort Gloster Industries Ltd. Kolkata (FGI)
- 2) Speciality Coatings and Laminations Ltd

##### b. Enterprises where principal shareholders have control

- 1) Veer Enterprises Ltd.
- 2) Shree Satyanarayan Investment Company Ltd.
- 3) Siddhi Trade & Holdings Pvt. Ltd.
- 4) Rangnath Bangur Charitable Trust

##### c. Key Management Personnel

- 1) Shri S.K.Bangur, Chairman & Managing Director
- 2) Shri Rajendra Jain (Executive Director)
- 3) Shri Brajmohan Prasad (Company Secretary)

##### d. Relative of Key Management Personnel

- 1) Shri Virendraa Bangur,



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

### e. Non-Executive/Independent Directors on the Board

- 1) Shri Saurabh Bangur
- 2) Smt Shashi Bangur
- 3) Shri P N Kapadia
- 4) Lt.Gen.[Retd.] Utpal Bhattacharyya
- 5) Shri Krishna Kumar Karwa
- 6) Shri M P Talaria
- 7) Shri Amitav Kothari

### II. The following is a summary of related party transactions

Particulars	As at March 31, 2017	As at March 31, 2016
i. Rent paid to :		
1) Veer Enterprises Ltd.	43.80	43.01
2) Shree Satyanarayan Investment Company Ltd.	42.00	40.00
3) Siddhi Trade & Holdings Pvt. Ltd.	14.52	14.52
ii. Charity & Donations :		
1) Rangnath Bangur Charitable Trust	30.15	30.60
2) Shree Rama Trust	4.00	10.00
III. Compensation to Key Management Personnel :		
Salary & other Employee benefit to directors and Executive Officers	1,003.71	683.99
iv. Transactions with Shree Rama Newsprint Limited (SRNL) (Related Party Up to 26.08.15) :		
1) Services rendered towards deputation of Employees	–	23.79
2) Reimbursement made for Consultancy charges paid on behalf of company	–	15.00
3) Amount received as repayment of ICD	–	70.00
v. Remuneration to Shri Virendraa Bangur	28.00	25.01

### III. The Company has the following amounts due to/from related parties

Particulars	As at March 31, 2017	As at March 31, 2016
i. Due from related Parties		
1) Shree Rama Newsprint Limited (SRNL) (Related Party Up to 26.08.15)	12.06	12.06
2) Veer Enterprises Ltd.	3.30	1.05
3) Shree Satyanarayan Investment Company Ltd.	6.60	6.60
ii. Due to related parties		
1) Shree Rama Newsprint Limited (SRNL) (Related Party Up to 26.08.15)	1.80	1.80





## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

<b>Note 43</b>	<b>RAW MATERIALS CONSUMED DURING THE YEAR</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Raw materials</b>		
	<b>PAPER :</b>		
	Wood	61,705.08	66,430.94
	Waste Paper cuttings, wood pulp etc.,	6,922.56	4,382.09
	<b>CABLE :</b>		
	Optical Fibre Optical Fibre	1,851.90	1,896.11
	Steel Tape	298.45	332.70
	Other allied inputs	2,416.84	2,849.98
	<b>Total</b>	<b>73,194.82</b>	<b>75,891.82</b>

Other allied inputs include items which do not individually exceed 10% of total consumption.

<b>Note 44</b>	<b>DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND PACKING MATERIAL CONSUMED</b>	<b>12 months ended March 31, 2017</b>		<b>12 months ended March 31, 2016</b>	
	<b>Particulars</b>	<b>₹ in lakhs</b>	<b>% of total consumption</b>	<b>₹ in lakhs</b>	<b>% of total consumption</b>
	<b>Raw Materials</b>				
	Imported	40,758.45	55.68	46,796.49	61.66
	Indigenous	32,436.37	44.32	29,095.33	38.34
		<b>73,194.82</b>	<b>100.00</b>	<b>75,891.82</b>	<b>100.00</b>
	<b>Stores, chemicals, spares and packing materials</b>				
	Imported	4,623.15	14.44	3,678.00	12.09
	Indigenous	27,385.37	85.56	26,744.13	87.91
		<b>32,008.52</b>	<b>100.00</b>	<b>30,422.13</b>	<b>100.00</b>

<b>Note 45</b>	<b>CIF VALUE OF IMPORTS</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Particulars</b>		
	Raw materials	29,529.61	47,825.73
	Components & Spare parts	3,398.89	3,042.70
	Capital goods	122.94	209.24
	<b>Total</b>	<b>33,051.44</b>	<b>51,077.67</b>

<b>Note 46</b>	<b>EARNINGS IN FOREIGN CURRENCY</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Particulars</b>		
	Export on FOB/CIF/CFR basis	2,590.41	3,399.50

<b>Note 47</b>	<b>EXPENDITURE IN FOREIGN CURRENCY</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	<b>Particulars</b>		
	Travelling	8.52	10.91
	Interest	386.61	533.94
	Others	28.77	77.38
	<b>Total</b>	<b>423.90</b>	<b>622.23</b>



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

<b>Note 48 EMPLOYEE BENEFIT PLANS</b>	<b>2016-17</b>	<b>2015-16</b>
As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :		
<b>[A] Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognised as expenses for the year are as under :		
Employer's Contribution to Provident Fund/Pension Fund	835.82	605.78
Employer's Contribution to Superannuation Fund	32.24	29.57
<b>[B] Defined Benefit Plan</b>		
The following table sets out the status of the Gratuity Plan as required under IND AS-19 :		
	<b>For the year</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	2,322.24	2,490.46
Current Service cost	124.44	119.37
Interest Cost	184.62	197.24
Benefits paid	(397.73)	(593.62)
Actuarial losses/(gain)	640.04	108.79
Obligations at the end of the period	2,873.61	2,322.24
	<b>For the year</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Change in Plan Assets</b>		
Opening fair value of plan assets	2,322.24	2,490.46
Expected return on plan assets	184.62	197.24
Actuarial gain/(Losses)	47.86	(68.67)
Contributions by employer	716.63	296.82
Benefits paid	(397.73)	(593.62)
Closing fair value of plan assets	2,873.61	2,322.23
	<b>For the year</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Amount recognized in Balance Sheet</b>		
Present value of funded obligations	2,873.61	2,322.24
Net asset/(liability)	2,873.61	2,322.24
	<b>For the year</b>	
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Expense recognised in statement of Profit and Loss Account</b>		
Current service cost	124.44	119.37
Interest Cost	184.62	197.24
Expected return on plan assets	(184.62)	(197.24)
Net Income/Expenses recognized in OCI	592.19	177.45
Amount included in Employee Benefit Expense (Employer's Contribution)	716.63	296.82



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

Particulars	For the year (%)	
	2016-17	2015-16
<b>Category of Plan Assets</b>		
LIC	54.90	55.91
PSU/State Govt. Securities	1.83	1.91
ICICI Prudential Life Insurance	43.27	42.18

Particulars	For the year (%)	
	2016-17	2015-16
<b>Financial assumptions at the valuation date</b>		
Discounted rate	7.26	7.95
Estimated rate of return on Plan assets	7.26	7.95
Salary escalation over and above highest of salary in grade	1.00	1.00

<b>Note 49 DIVIDEND REMITTANCE IN FOREIGN CURRENCY</b>		
Particulars	As at 2016-17	As at 2015-16
Number of non-resident shareholders	195	–
Number of shares held by them on which dividend was paid	237862	–
Amount remitted - net of tax (₹ lakhs)	2.38	–

**Note 50 SEGMENT INFORMATION**

Pursuant to Accounting Ind As 108 – Segment Reporting, information about Business Segments (Information provided in respect of revenue items for the year ended 31.03.2017 and in respect of assets / liabilities as at 31.03.2017 is disclosed as under :

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as “Unallocable”

(₹ in Lakhs)

Particulars	Paper		Cables		Others		Unallocable		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Segment Revenue</b>										
Gross Turnover	1,79,476.75	1,71,336.72	7,537.29	8,595.55	14.15	21.09	–	–	1,87,028.19	1,79,953.35
Less : Excise Duty	10,124.25	9,515.16	612.86	939.45	–	–	–	–	10,737.11	10,454.61
<b>Net Turnover</b>	<b>1,69,352.50</b>	<b>1,61,821.56</b>	<b>6,924.43</b>	<b>7,656.10</b>	<b>14.15</b>	<b>21.09</b>	<b>–</b>	<b>–</b>	<b>1,76,291.08</b>	<b>1,69,498.74</b>
<b>Segment result before Interest and Taxes</b>	22,206.58	7,415.66	674.46	859.77	(17.58)	0.82	–	–	22,863.46	8,276.25
Less : Interest Expenses	–	–	–	–	–	–	5,157.25	7,580.68	5,157.25	7,580.68
Add : Interest Income	–	–	–	–	–	–	81.63	684.00	81.63	684.00
<b>Profit before Tax</b>	22,206.58	7,415.66	674.46	859.77	(17.58)	0.82	(5,075.62)	(6,896.68)	17,787.84	1,379.57
Current Tax	–	–	–	–	–	–	3,654.24	597.74	3,654.24	597.74
MAT Credit	–	–	–	–	–	–	(3,654.24)	(597.74)	(3,654.24)	(597.74)
Deferred Tax	–	–	–	–	–	–	4,937.68	1,426.07	4,937.68	1,426.07
<b>Profit for the year</b>	<b>22,206.58</b>	<b>7,415.66</b>	<b>674.46</b>	<b>859.77</b>	<b>(17.58)</b>	<b>0.82</b>	<b>(10,013.30)</b>	<b>(8,322.75)</b>	<b>12,850.16</b>	<b>(46.50)</b>



## Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

Particulars	Paper		Cables		Others		Unallocable		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Other Informations</b>										
Segment Assets	1,56,811.91	1,66,320.09	4,073.53	6,683.82	54.54	63.75	-	-	1,60,939.98	1,73,067.66
Segment Liabilities	96,350.78	1,20,383.55	674.21	1,027.08	-	-	-	-	97,024.99	1,21,410.63
Capital Expenditure	2,842.49	3,660.02	175.26	-	-	-	-	-	3,017.75	3,660.02
Depreciation/Amortisation	10,971.03	11,355.27	96.63	71.68	9.21	9.21	-	-	11,076.87	11,436.16

**Note 51** Management expects that it would earn sufficient taxable income in future and therefore will be in a position to pay normal tax within the period specified under the Income Tax Act, 1961 and accordingly MAT credit entitlement of ₹ 7852.53 lakhs (Current Year ₹ 3654.24 – Previous year ₹ 597.74) has been recognized.

**Note 52** Exceptional items of previous year represents :

The Company had entered into Share Purchase Agreement with Riddhi Siddhi Gluco Biols Ltd., (“Acquirer”) on 21.05.2015 for sale of its Long Term Investments of 2,11,24,791 equity shares of Shree Rama Newsprint Ltd., for ₹ 0.75 lakhs against book value of ₹ 4540.86 lakhs subject to release of Corporate Guarantees of ₹ 24625.00 lakhs given to various banks by the Company and the Acquirer complying with the requirement of the Open Offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any other statutory approval. The transaction was completed on 26.08.2015 and accordingly loss of ₹ 4540.11 lakhs has been accounted in the year 2015-16.

During the year 2015-16, the Company has provided for diminution in the value of its long term trade investments in Jayashree Chemicals Ltd of ₹ 47.61 lakhs as there has been substantial reduction in the market value of these investments, which is permanent in nature.

**Note 53** The details of Specified Bank Notes (SBN) held and transaction during the period from 08.11.2016 to 30.12.2016 is as follows :

Particulars	SBNs	Other Denomination Notes	Total
	₹	₹	₹
Closing Cash in Hand as on 08.11.2016	1,611,500	778,822	2,390,322
(+) Permitted Receipts*	379,000	6,110,453	6,489,453
(-) Permitted Payments**	1,015,000	4,954,075	5,969,075
(-) Amount deposited in Bank	975,500	0	975,500
<b>Closing Cash In Hand as on 30.12.2016</b>	<b>-</b>	<b>1,935,200</b>	<b>1,935,200</b>

**Note :**

\* Permitted Receipts are transfers within factory at Dandeli from petty cash with various departments.

\*\*Permitted Payments are made to the transporters as per the notification of the government

**Note 54** **EVENT OCCURRING AFTER BALANCE SHEET DATE**

The Board of Directors has recommended Equity dividend of ₹ 2.50/- per share for the year ended 31.03.2017 (Previous year ₹ 1/- per share).

**Note 55** **FIRST-TIME ADOPTION OF IND-AS**

Financial Statements of the company for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 55.1.



# Notes on Financial Statements (Contd.)

for the year ended 31st March, 2017

(All amounts of ₹ in Lakhs, except share data and unless otherwise stated)

## 55.1 EXEMPTIONS AVAILED ON FIRST TIME ADOPTION OF IND-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

### 1. Deemed Cost exemption:

#### • Property, Plant and equipments:

As per Para D7AA of the Ind AS 101 “First time adoption of Indian Accounting Standards” the company has opted to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments in accordance with paragraph D21 and D21A of Ind AS 101.

#### • Investments in associates and Joint ventures:

Company has carried out its long term investments at deemed cost only which is previous GAAP carrying amount at transition date in accordance with Para D15 of Ind AS 101.

### 2. Decommissioning and Dismantling Liability:

Ind AS 16 “Property, plant and equipment” requires the cost of an item of property, plant and equipment to include the initial estimate of the costs of dismantling/decommissioning and removing the asset and restoring the site on which it is located. Ind AS requires the liability, both initially and subsequently, to be measured at the amounts required to settle the present obligation at the end of the reporting period, reflecting a current market-based discount rate.

Para D21 of Ind AS 101 provides a transitional exemption to calculate the decommissioning liability as on transition date instead of initial estimate at the time of capitalization.

Company has availed the exemption provided in Para D21 and included in the depreciated cost of the asset an amount calculated by discounting the liability at the date of transition to Ind AS back to, and depreciating it from, when the liability was first incurred.

### 3. Long term foreign currency monetary items:

According to the Para D13AA of Ind AS 101 company being first time adopter has continued the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

### 4. Government Grants:

Para B10 of Ind AS 101 contains an exemption with regard to government loans. In accordance with exception, a first time adopter should classify the government loan received as a financial liability or an equity instrument in accordance with the Ind AS 32. A first time adopter will apply the requirements in Ind AS 109 prospectively to government grants existing at the date of transition to Ind AS. Hence company being a first time adopter has not recognized the corresponding benefit of the Government loans at a below market rate of interest on a basis consistent to Ind AS requirements. Company has used its previous GAAP carrying amount of the loan at a date of transition to Ind AS, as the carrying amount of the loan in the opening Ind AS Balance sheet.

**Note 56** As per Ind AS 41 on “Agriculture” the company has fair valued its matured crops except for the crops fully matured at its kuluwali plantation, Karnataka, since there is an on-going litigation and same will be accounted in the books of accounts upon the final disposal of the case.

**Note 57** Previous year’s figures have been regrouped and reclassified wherever necessary.

As per our Report of even date

For **Batliboi and Purohit**

Chartered Accountants

Firm Registration No. 101048W

**R.D. Hangekar**

Partner

M. No. 030615

Place: Mumbai

Date: 25th May 2017

For and on behalf of the Board

Director **M.P. Taparua**

Director **P.N. Kapadia**

Director **Lt. Gen. (Retd.) Utpal Bhattacharyya**

Executive Director **Rajendra Jain**

Company Secretary **Brajmohan Prasad**





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### CORPORATE OFFICE

31, Chowringhee Road  
Kolkata - 700 016, West Bengal  
☎ (033) 2265 6271 to 78  
☎ (033) 2226 5242  
✉ sales.ho@westcoastpaper.com  
🌐 www.westcoastpaper.com

### REGD. OFFICE & WORKS

Bangur Nagar, Dandeli - 581 325  
Dist. Uttara Kannada, Karnataka  
☎ (08284) 231 391-395  
☎ (08284) 231 225/230 443  
✉ pro@westcoastpaper.com

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