



# 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)



ZZL:Share:08:

August 25, 2018

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 2017-18**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we enclose herewith Annual Report of the Company for the FY 2017-18.

Please take the same on record.

Thanking you,

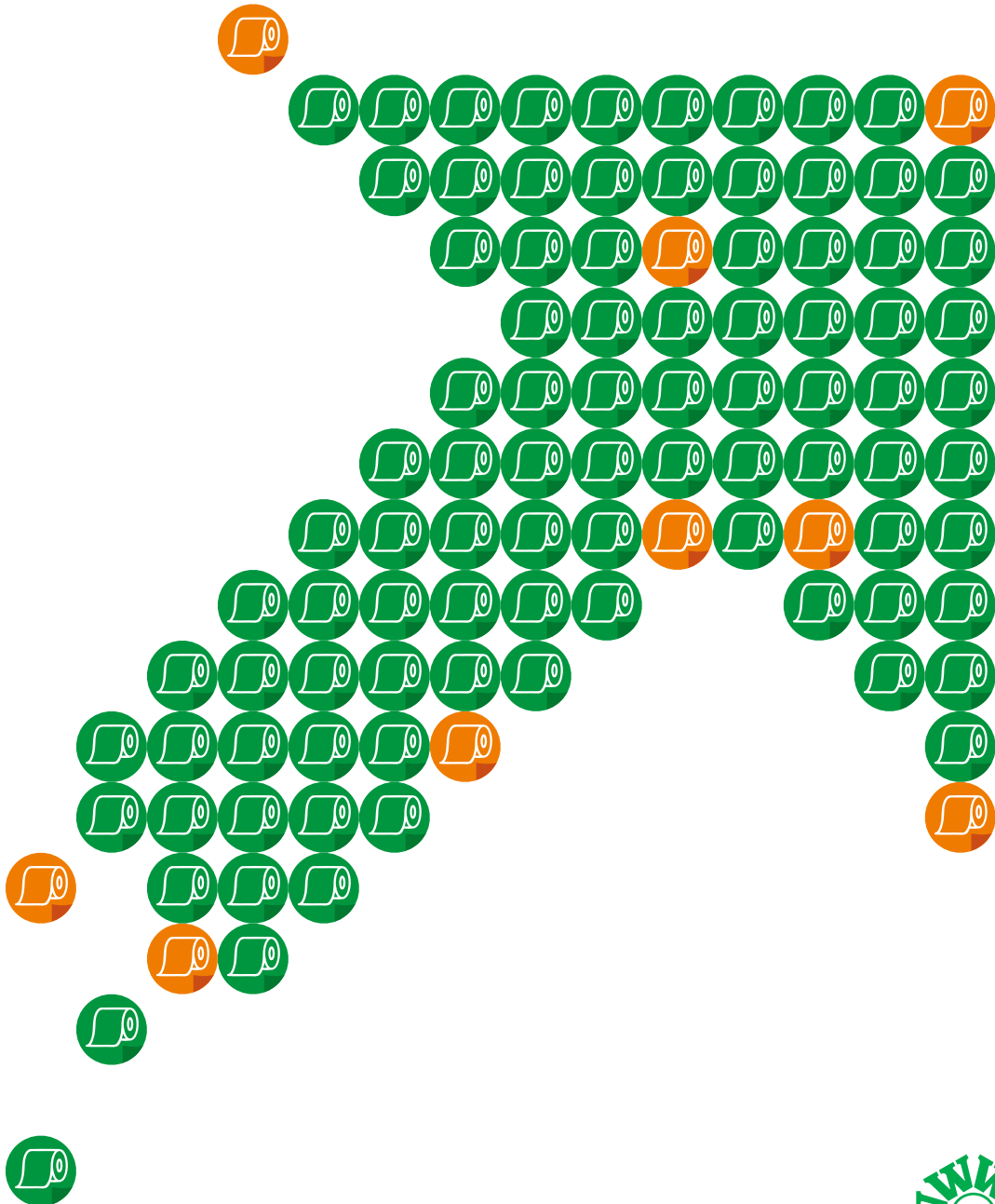
Yours faithfully,  
For West Coast Paper Mills Ltd.

Brajmohan Prasad  
Company Secretary  
M.No.7492

Encl.a.a



# Raising the Bar



**WEST COAST PAPER MILLS LIMITED**

*Your partner in progress...*

ANNUAL REPORT 2017-18



Glimpses of All India Dealers Conference held at Moscow on 26th April 2018.



BRC Sports Carnival Sponsored by West Coast Paper Mills Ltd.

#### 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 Sudarshan Somani  
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 India  
Syndicate Bank  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Standard Chartered Bank  
Axis Bank Ltd.

## STATUTORY AUDITORS

Singhi & Co, Kolkata

## 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 : wcpm.south3@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)  
(Formerly known as The West Coast Paper Mills Limited)



## Ten Year Highlights

		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>PRODUCTION</b>											
PAPER/PAPER BOARD & MULTILAYER BOARD	TONNES	290844	313311	306960	300514	310002	317808	308230	267005	173638	173682
OPTICAL FIBRE CABLE	Km	28405	29802	42989	30438	20686	20242	20184	27951	18003	16787
JFTC	CKm	-	-	-	-	-	-	-	78	-	-
CONTROL CABLE	CKm	-	-	-	-	-	-	341	251	14	-
<b>SALES</b>											
PAPER/PAPER BOARD & MULTILAYER BOARD	TONNES	291512	317951	315146	302978	298682	321018	305818	267992	175194	170686
OPTICAL FIBRE CABLE	Km	28665	30936	40545	30368	21053	20161	20308	27985	17790	16762
JFTC	CKm	-	-	-	-	-	-	-	78	-	-
CONTROL CABLE	CKm	-	-	-	-	-	-	337	248	14	-
<b>OPERATING RESULTS</b>											
TURNOVER	₹/Lakhs	172222	187028	179953	174715	165483	154125	136620	110887	65050	66271
GROSS PROFIT(PBDT)	₹/Lakhs	33878	28272	18927	17853	14114	20084	15866	18919	10524	12036
DEPRECIATION	₹/Lakhs	11622	11077	11081	12220	12719	17629	20535	9610	2377	1990
EXCEPTIONAL ITEMS	₹/Lakhs	-	-	5324	5160	-	-	-	-	-	-
TAXATION	₹/Lakhs	4551	3654	598	-	166	372	-	1900	1400	1149
MAT CREDIT ENTITLEMENT	₹/Lakhs	(4551)	(3654)	(598)	-	(154)	(335)	-	(1809)	(1370)	-
DEFERRED TAX	₹/Lakhs	(67)	4938	1637	362	720	607	(1314)	210	2647	(157)
NET PROFIT/(LOSS)	₹/Lakhs	22267	12258	885	111	663	1811	(3356)	9008	5470	9054
DIVIDEND	₹/Lakhs	2642	1651	660	-	660	660	206	1807	1807	1258
<b>FINANCIAL POSITION</b>											
GROSS BLOCK	₹/Lakhs	229298	215871	210374	207934	205632	201596	198706	185045	186542	161798
DEPRECIATION	₹/Lakhs	126044	115432	104040	93035	80866	69565	52570	32205	31290	29112
NET BLOCK	₹/Lakhs	103254	100439	106334	114899	124766	132031	146136	152840	155252	132686
PAID UP CAPITAL	₹/Lakhs	1321	1321	1321	1321	1321	1321	1255	7755	7755	7708
RESERVES & SURPLUS	₹/Lakhs	82580	62594	58547	58456	58345	58455	55698	59293	52378	49070
NET WORTH	₹/Lakhs	83901	63915	59868	59777	59666	59776	56953	67048	60133	56778
BORROWINGS	₹/Lakhs	30416	49986	74393	91042	106608	108063	126365	121246	123471	117365
CAPITAL EMPLOYED	₹/Lakhs	114317	113901	134261	150819	166274	167839	183318	188294	183604	174143
<b>SOME SELECTED RATIOS</b>											
EARNINGS PER SHARE (₹ 2) (BASIC)	₹	33.80	19.46	1.34	0.17	1	9	4	14	9	16
BOOK VALUE PER SHARE	₹	127	97	91	91	90	91	91	107	96	94
DIVIDEND [EQUITY SHARES]	%	200	125	50	-	50	50	10	100	100	100
DEBT EQUITY RATIO		27:73	44:56	55:45	60:40	64:36	64:36	69:31	64:36	67:33	67:33



## Directors' Report

Your Directors are pleased to present the 63rd Annual Report of your Company, together with the audited financial statements for the year ended 31st March 2018.

### FINANCIAL RESULTS :

Financial Results of the Company for the year under review along with the figures for previous year are as follows:

Particulars	31st March, 2018	31st March, 2017
	(₹ in Crores)	
Profit Before Finance Cost and Depreciation (PBIDT)	381.15	340.22
Finance Cost	42.37	51.57
Profit Before Depreciation and Tax	338.78	288.65
Depreciation	116.22	110.77
Tax Expenses (Including Deferred Tax)	(0.67)	49.38
Profit after Tax (PAT)	223.23	128.50
Other Comprehensive Income (Net of Tax)	(0.56)	(5.92)
Total Comprehensive Income	222.67	122.58

### DIVIDEND :

Your Directors are pleased to recommend dividend of ₹ 4.00 per equity share (200 %) for the year ended 31st March, 2018, subject to shareholders' approval at the forthcoming Annual General Meeting.

### PERFORMANCE :

The performance of the Company during the year under review has been better compared to previous year. During the year Paper production and Sales got impacted marginally due to major job undertaken from 15th September for replacement/modification of pressure parts of Enmas Recovery Boiler along with ESP & rebuild of PM 3 for quality improvement. PM 3 started on 7th November and Enmas Recovery Boiler started on 17th November successfully. This will help Company in uninterrupted operation of Enmas Recovery Boiler. After rebuild of Paper Machine 3 Company could produce good quality surface sized paper which was very well accepted by market and also could increase speed and productivity of PM3.

The improved performance is mainly due to good demand along with increased product mix, improved operating parameters and reduction in finance cost. However, there was significant increase in rates of chemicals, coal and furnace oil.

The Company shall continue to focus on improving operating efficiencies and minimizing cost for better financial performance.

### DIVISION WISE PERFORMANCE :

#### Paper and Paperboard Division, Dandeli

The production of Paper, Paperboard and Hardwood Pulp was 290844 MT (91% capacity utilization) during the year against 313311 MT in the last year (98% capacity utilization) i.e., lower by 22467 MT. The sale of Paper, Paperboard and Hardwood Pulp was 291512 MT during the year against 317951 MT in the last year i.e., lower by 26439 MT. The turnover during the year was ₹ 1624 Crores as against ₹ 1692 Crores in the last year (both exclusive of excise duty), i.e., lower by ₹ 68 Crores, due to lower sales quantity.

Export of Paper, Paperboard and Duplex Board during the year was 3388 MT worth ₹ 18 Crores (FOB) as against 4702 MT worth ₹ 25 Crores (FOB) in last year.

#### Cable Division, Mysore

The production of Optical Fibre Cable was 28405 kms during the year against 29802 kms in last year, thereby lower production by 1397 kms. The sale of Optical Fibre Cable was 28665 kms during the year as against 30936 kms in last year. The turnover was ₹ 74 Crores during the year as against ₹ 69 Crores in the last year (both exclusive of excise duty) i.e., higher by ₹ 5 Crores.

### FUTURE PLAN :

Company has made an ambitious plan for growth cum modernization for phase-wise investment in next 4-5 years time period at Company's Paper Division and Cable Division. At Company's Paper Division, Dandeli, focus areas are increase marginal paper production from existing machines, improve paper quality, produce new speciality products and reduction



## Directors' Report (Contd.)

of steam, power, chemical, water and breakdown of machines. In this regard this year ₹ 150 Crores investment has been done and Company has planned around ₹ 180 Crores investment in next year.

Apart from above, Company is planning for putting up a new line for producing the speciality products at Dandeli. EIA study is going on. After approval Company will be making required investment.

West Coast Opticable Limited, Mysore subsidiary of the Company is also making investment of around ₹ 10 Crores in next year for adding new facilities for production of Optical Fibre Cable.

Company's Cable Division is also working on Green field expansion in Telangana for backwards integration of raw material required for Optical Fibre Cable. Company has applied to the concerned Government authorities and planned to make investment of ₹ 110 Crores for this project in next 3 years time.



Glimpses of Rebuild of Paper Machine No. 3



## Directors' Report (Contd.)

### 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 4.66 lakhs MT Indigenous Pulpwood and 3.46 lakhs MT Imported Chips i.e. 57% and 43% respectively.

### EXCHANGE RATE VARIATION :

The Company has reinstated foreign currency loans of USD 21.56 Million at the exchange rate prevailing as on 31st March 2018 and the exchange rate difference of ₹ 18.99 Crores has been added to the cost of Fixed Assets, as per Accounting Standard AS-11 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 Mega Risk Insurance Policy to insure its fixed assets and inventory which cover known and unknown risk including Fire, Loss of Profit, Machinery Breakdown. The Company has also taken STOP Policy for its input and finished goods movement.

### 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 as 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 uploaded 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 :

The Company has framed a Corporate Social Responsibility (CSR) Policy as required under Section 135 of the Companies Act, 2013. CSR Committee has been framed pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, to oversee the CSR activities initiated by the Company during the financial year under review. 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, Six Board Meetings held and details thereof are mentioned in the Report on Corporate Governance forms a part of this 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 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 Board





## Directors' Report (Contd.)

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 the 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 forms a 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 forms a 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.

### **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, attached 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 attached and forms 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 here with, forms a part of 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 personnel 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 21.05.2018.

### **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 Sudarshan Somani (DIN:00137568) was appointed as Independent Director and Smt. Shashi Bangur(DIN:00053300) will retire from the office by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Shri M P Taparia (DIN:00112461), Lt.Gen (Retd.) Utpal Bhattacharyya (DIN:02665807) and Shri Krishna Kumar Karwa (DIN:00181055) were appointed as Independent Directors to hold office for 3(three) consecutive years not liable to retire by rotation with effect from February 02, 2015 the said term was completed on 01.02.2018 and Board of Directors in their meeting held on 29.01.2018, on the basis of report of performance evaluation have re-appointed as an Independent Directors of the Company not liable to retire by rotation and to continue to hold office for further period of 3(three) consecutive years w.e.f. 02.02.2018 subject to approval of members of the Company at the Annual General Meeting.

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

### **APPOINTMENT OF KMP :**

Shri Rajendra Jain has been re-appointed as Executive Director of the Company w.e.f. 31.07.2018 for a period of 3 years by the Board of Directors in their meeting held on 21.05.2018.



## Directors' Report (Contd.)

The notice convening the AGM includes the proposal for re-appointment of Shri Rajendra Jain.

### 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, 2018 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 done by India Ratings and Research Limited(Fitch Group) as under:-

- 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 (Meeting of the Board and its Power) Rules 2014, provide the mechanism for Employees and Directors of the Company to approach the Executive Director 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 RISKS 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 COURT :

There are no significant and material orders passed by the Regulators or Courts, which would impacts 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 Singhi & Co. Chartered Accountants, Kolkata appointed as Statutory Auditors of the Company at the 62nd Annual General Meeting of the Company pursuant to the provision of rotation under section 139 and 141 of the Companies Act, 2013 and Rule 7 of Companies (Audit and Auditors) Rules, 2014, eligible for re-appointment and ratification of re-appointment in the ensuing Annual General Meeting for the financial year 2018-19. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

#### b. 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 Joshi, Bangalore practicing Company Secretary as Secretarial Auditor to carry out Secretarial Audit of the records maintained by the Company for the financial year 2017-18. The Report given by him for the said financial year in the prescribed form No: MR 3 is annexed to this report, which is self explanatory.

#### c. 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 S.K.Tikare Cost Accountant, Belgaum has been appointed as Cost Auditor of the Company to conduct Cost Audit of Cost Records maintained by the Company for the financial year 2018-19. Accordingly matter relating to the appointment 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 acknowledge the support and co-operation from employees at all levels.

### CONSOLIDATED FINANCIAL STATEMENTS :

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report forms part a of this report.

A Report on the performance and financial position of wholly owned subsidiary company (West Coast Opticable Limited) for the period from 12.12.2017 to 31.03.2018 included in the Consolidated Financial Statements is presented in the separate Section AOC-1, forms a of part this report.

Pursuant to the provisions under Section 136 of the Companies Act, 2013 the financial statements including consolidated financial statements along with relevant documents and separate Audited Accounts of the subsidiary company are available at the Company's website: [www.westcoastpaper.com](http://www.westcoastpaper.com).

### 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 Company's performance and growth.

For and on behalf of the Board

Place : Kolkata  
Date : 21st May, 2018

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



## Annexure to Directors' Report

### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

[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	95.05
2.	Optical Fibre Cable	273	4.38

#### 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.	West Coast Opticable Limited	U32309KA2017PLC108600	Subsidiary	99.70	2(87)
2.	Speciality Coatings and Laminations Ltd.	U74899DL1993PLC052430	Associate	37.33	2(6)

Note : Fort Gloster Industries Limited is out of Associate Companies w.e.f. 19.03.2018



## 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 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>(A) PROMOTERS</b>									
<b>[1] Indian</b>									
(a) Individuals / Hindu Undivided Family	8315296	0	8315296	12.59	8533309	0	8533309	12.92	0.33
(b) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Other :									
Bodies Corporate	28540579	0	28540579	43.21	28481533	0	28481533	43.12	-0.09
<b>Sub Total (A)(1)</b>	<b>36855875</b>	<b>0</b>	<b>36855875</b>	<b>55.80</b>	<b>37014842</b>	<b>0</b>	<b>37014842</b>	<b>56.04</b>	<b>0.24</b>
<b>[2] Foreign</b>									
(a) Individuals(NRIs/FIs)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Portfolio Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Other :	0	0	0	0.00	0	0	0	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>36855875</b>	<b>0</b>	<b>36855875</b>	<b>55.80</b>	<b>37014842</b>	<b>0</b>	<b>37014842</b>	<b>56.04</b>	<b>0.24</b>
<b>(B) PUBLIC</b>									
<b>[1] Institutions</b>									
(a) Mutual Funds	6386942	1000	6387942	9.67	5743028	0	5743028	8.69	-0.98
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c) Alternate Investment Funds	0	0	0	0.00	238782	0	238782	0.36	0.36
(d) Foreign Venture Capital Funds/ Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Foreign Portfolio Investors	2248024	0	2248024	3.40	4256066	0	4256066	6.44	3.04
(f) Banks/Financial Institutions	45634	25850	71484	0.11	85458	25150	110608	0.16	0.05
(g) Insurance Companies	1637035	0	1637035	2.48	1090116	0	1090116	1.65	-0.83
(h) Provident Funds/Pension 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>10317635</b>	<b>27450</b>	<b>10345085</b>	<b>15.66</b>	<b>11413450</b>	<b>25750</b>	<b>11439200</b>	<b>17.32</b>	<b>1.66</b>



## Annexure to Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>[2] Central/ State Government / President of India</b>									
(a) Central Government/State Government(s)	0	0	0	0.00	232474	0	232474	0.35	0.35
<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>232474</b>	<b>0</b>	<b>232474</b>	<b>0.35</b>	<b>0.35</b>
<b>[3] Non-Institutions</b>									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	9374992	1567749	10942741	16.57	8803990	1289904	10093894	15.28	-1.29
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2890693	0	2890693	4.38	2352836	0	2352836	3.56	-0.82
(b) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c) Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d) Overseas Depositories (holding DRs)(balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Specify)									
Trusts	2400	0	2400	0.00	2400	0	2400	0.00	0.00
Foreign Nationals	12550	0	12550	0.02	12050	0	12050	0.01	-0.01
Hindu Undivided Family	811769	650	812419	1.23	651180	650	651830	0.99	-0.24
Non Resident Indians (Non-Repatriation)	53733	0	53733	0.08	69595	0	69595	0.11	0.03
Non Resident Indians (Repatriation)	111706	29450	141156	0.21	125199	25800	150999	0.23	0.01
Clearing Member	271878	0	271878	0.41	210658	0	210658	0.31	-0.10
Bodies Corporate	3698378	22000	3720378	5.63	3802580	15550	3818130	5.78	0.15
<b>Sub Total (B)(3)</b>	<b>17228099</b>	<b>1619849</b>	<b>18847948</b>	<b>28.54</b>	<b>16030488</b>	<b>1331904</b>	<b>17362392</b>	<b>26.29</b>	<b>-2.25</b>
<b>Total Public Shareholding(B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>27545734</b>	<b>1647299</b>	<b>29193033</b>	<b>44.20</b>	<b>27676412</b>	<b>1357654</b>	<b>29034066</b>	<b>43.96</b>	<b>-0.24</b>
<b>Grand Total (A)+(B)</b>	<b>64401609</b>	<b>1647299</b>	<b>66048908</b>	<b>100.00</b>	<b>64691254</b>	<b>1357654</b>	<b>66048908</b>	<b>100.00</b>	<b>0.00</b>
<b>(C) NON PROMOTOR - NON PUBLIC</b>									
(a) Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
(b) Employee Benefit Trust under SEBI(Share based Employee Benefit) Regulations,2014	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total C = (a)+(b)</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>Grand Total (A)+(B)+(C)</b>	<b>64401609</b>	<b>1647299</b>	<b>66048908</b>	<b>100.00</b>	<b>64691254</b>	<b>1357654</b>	<b>66048908</b>	<b>100.00</b>	<b>0.00</b>



## Annexure to Directors' Report (Contd.)

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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	
<b>A1</b>	<b>Indian</b>							
<b>a.</b>	<b>Individual /Hindu Undivided Family</b>							
	Shri Shree Kumar Bangur	2617979	3.96	0	2689978	4.07	0	0.11
	Smt. Shashi Bangur	2087051	3.16	0	2181265	3.30	0	0.14
	Shri Saurabh Bangur	1451730	2.20	0.28	1494530	2.27	0.28	0.07
	Shri Virendraa Bangur	1081273	1.64	0	1090273	1.65	0	0.01
	Smt. Bharti Bangur	122300	0.19	0	122300	0.19	0	0.00
	Master Aaryan Bangur	62300	0.09	0	62300	0.09	0	0.00
	Master Ankit Bangur	62300	0.09	0	62300	0.09	0	0.00
	Master Shrivatsa Bangur	62300	0.09	0	62300	0.09	0	0.00
	Rangnath Shree Kumar (HUF)	613063	0.93	0	613063	0.93	0	0.00
	Shree Kumar Virendra Kumar (HUF)	155000	0.23	0	155000	0.23	0	0.00
<b>b.</b>	<b>Central Govt./State Govts.</b>	0	0.00	0	0	0.00	0	0.00
<b>c.</b>	<b>Financial Institutions/Banks</b>	0	0.00	0	0	0.00	0	0.00
<b>d.</b>	<b>Others :</b>							
	<b>Bodies Corporate</b>							
	Shree Satyanarayan Investments Company Limited	10312973	15.61	0	10312973	15.61	0	0.00
	Veer Enterprises Limited	10597100	16.04	0	10538054	15.95	0	-0.09
	Orbit Udyog Pvt Ltd	2384855	3.61	0	2384855	3.61	0	0.00
	Saumya Trade And Fiscal Services Pvt Ltd	2071309	3.14	0	2071309	3.14	0	0.00
	Union Company Limited	4450	0.01	0	4450	0.01	0	0.00
	Mothola Company Ltd.	77700	0.12	0	77700	0.12	0	0.00
	The Indra Company Limited	15750	0.02	0	15750	0.02	0	0.00
	The Diamond Company Limited	1953197	2.96	0	1953197	2.96	0	0.00
	Kilkotagiri And Thirumbadi Plantations Limited	464200	0.70	0	464200	0.70	0	0.00
	Amrit- Villa Investments Limited	11500	0.02	0	11500	0.02	0	0.00
	Gold Mohore Investment Co Ltd	647545	0.98	0	647545	0.98	0	0.00
	<b>Sub Total (A)(1)</b>	<b>36855875</b>	<b>55.80</b>	<b>0.28</b>	<b>37014842</b>	<b>56.04</b>	<b>0.28</b>	<b>0.24</b>
<b>A2</b>	<b>Foreign</b>							
<b>a.</b>	<b>Individuals (Non-Resident Individuals/ Foreign Individuals)</b>	0	0.00	0	0	0.00	0	0.00
<b>b.</b>	<b>Government</b>	0	0.00	0	0	0.00	0	0.00
<b>c.</b>	<b>Institutions</b>	0	0.00	0	0	0.00	0	0.00
<b>d.</b>	<b>Foreign Portfolio Investor</b>	0	0.00	0	0	0.00	0	0.00
<b>e.</b>	<b>Any Other (Specify)</b>	0	0.00	0	0	0.00	0	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>36855875</b>	<b>55.80</b>	<b>0.28</b>	<b>37014842</b>	<b>56.04</b>	<b>0.28</b>	<b>0.24</b>



## Annexure to Directors' Report (Contd.)

### (iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)		Date of Transaction	Increase/ Decrease in shareholding	Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Shri Shree Kumar Bangur	2617979	3.96				
	Transfer			07 Apr 2017	5000	2622979	3.97
	Transfer			21 Apr 2017	13122	2636101	3.99
	Transfer			28 Apr 2017	2878	2638979	4.00
	Transfer			08 Sep 2017	20000	2658979	4.03
	Transfer			06 Oct 2017	10000	2668979	4.04
	Transfer			03 Nov 2017	10000	2678979	4.06
	Transfer			16 Mar 2018	3915	2682894	4.06
	Transfer			23 Mar 2018	7084	2689978	4.07
	At the end of the year					2689978	4.07
2	Smt. Shashi Bangur	2087051	3.16				
	Transfer			25 Aug 2017	4985	2092036	3.17
	Transfer			01 Sep 2017	13355	2105391	3.19
	Transfer			08 Sep 2017	11660	2117051	3.21
	Transfer			15 Sep 2017	10000	2127051	3.22
	Transfer			20 Oct 2017	10000	2137051	3.24
	Transfer			27 Oct 2017	10000	2147051	3.25
	Transfer			03 Nov 2017	4214	2151265	3.26
	Transfer			16 Mar 2018	15000	2166265	3.28
	Transfer			23 Mar 2018	7202	2173467	3.29
	Transfer			31 Mar 2018	7798	2181265	3.30
	At the end of the year					2181265	3.30
	3	Shri Saurabh Bangur	1451730	2.20			
Transfer				25 Aug 2017	10000	1461730	2.21
Transfer				20 Oct 2017	10000	1471730	2.23
Transfer				27 Oct 2017	8000	1479730	2.24
Transfer				16 Mar 2018	10000	1489730	2.26
Transfer				31 Mar 2018	4800	1494530	2.26
At the end of the year						1494530	2.26
4	Shri Virendraa Bangur	1081273	1.64				
	Transfer			16 Mar 2018	5000	1086273	1.64
	Transfer			23 Mar 2018	4000	1090273	1.65
At the end of the year					1090273	1.65	
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





## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)		Date of Transaction	Increase/ Decrease in shareholding	Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
8	Master Shrivatsa Bangur At the end of the year	62300	0.09		No movement	62300	0.09
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	10597100	16.04				
	Transfer			13 Oct 2017	(150000)	10447100	15.82
	Transfer			27 Oct 2017	10954	10458054	15.83
	Transfer			23 Feb 2018	52945	10510999	15.91
	Transfer			02 Mar 2018	16055	10527054	15.94
	Transfer			09 Mar 2018	3635	10530689	15.94
	Transfer			16 Mar 2018	7365	10538054	15.95
	At the end of the year					10538054	15.95
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 01.04.2017)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		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	4756257	7.20				
	Transfer			21 Apr 2017	(100285)	4655972	7.05
	Transfer			28 Apr 2017	(203747)	4452225	6.74
	Transfer			05 May 2017	(50)	4452175	6.74
	Transfer			30 Jun 2017	(100000)	4352175	6.59
	Transfer			29 Dec 2017	(88286)	4263889	6.46
	Transfer			05 Jan 2018	(182162)	4081727	6.18
	Transfer			12 Jan 2018	(29552)	4052175	6.14
	At the end of the year					4052175	6.14
2	CD Equifinance Private Limited	678137	1.03				
	Transfer			02 Jun 2017	9010	687147	1.04
	Transfer			09 Jun 2017	8970	696117	1.05
	Transfer			23 Jun 2017	733	696850	1.06
	Transfer			30 Jun 2017	12000	708850	1.07
	Transfer			14 Jul 2017	(91989)	616861	0.93
	Transfer			21 Jul 2017	91989	708850	1.07
	Transfer			11 Aug 2017	1406	710256	1.08
	Transfer			18 Aug 2017	21800	732056	1.11
	Transfer			25 Aug 2017	36451	768507	1.16
	Transfer			01 Sep 2017	31709	800216	1.21
	Transfer			08 Sep 2017	75568	875784	1.33
	Transfer			15 Sep 2017	6863	882647	1.34
	Transfer			22 Sep 2017	(91989)	790658	1.20
	Transfer			06 Oct 2017	(39242)	751416	1.14
	Transfer			20 Oct 2017	91989	843405	1.28
	Transfer			27 Oct 2017	58652	902057	1.37
	Transfer			22 Dec 2017	31150	933207	1.41
	Transfer			02 Feb 2018	18440	951647	1.44
	Transfer			09 Feb 2018	4110	955757	1.45
	Transfer			23 Feb 2018	3260	959017	1.45
	Transfer			02 Mar 2018	840	959857	1.45
	Transfer			31 Mar 2018	1500	961357	1.46
	At the end of the year					961357	1.46



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
3	Sundaram Mutual Fund A/c Sundaram Long Term Micro Cap Tax Advantage Fund Series III	522261	0.79				
	Transfer			14 Apr 2017	10000	532261	0.81
	Transfer			02 Jun 2017	139986	672247	1.02
	Transfer			09 Jun 2017	46100	718347	1.09
	Transfer			04 Aug 2017	100000	818347	1.24
	Transfer			29 Sep 2017	45000	863347	1.31
	Transfer			06 Oct 2017	6800	870147	1.32
	Transfer			13 Oct 2017	50000	920147	1.39
	Transfer			20 Oct 2017	16983	937130	1.42
	Transfer			27 Oct 2017	32337	969467	1.47
	Transfer			08 Dec 2017	3896	973363	1.47
	Transfer			22 Dec 2017	(20025)	953338	1.44
	Transfer			29 Dec 2017	408	954746	1.45
	Transfer			02 Feb 2018	(3000)	950746	1.44
	Transfer			16 Feb 2018	(1000)	949746	1.44
	Transfer			16 Mar 2018	(102000)	847746	1.28
	At the end of the year					847746	1.28
4	L And T Mutual Fund Trustee Ltd-L And T India Value Fund	925524	1.40				
	Transfer			14 Apr 2017	123246	1048770	1.59
	Transfer			09 Mar 2018	(86228)	962542	1.46
	Transfer			16 Mar 2018	(90551)	871991	1.32
	Transfer			31 Mar 2018	(28884)	843107	1.28
	At the end of the year					843107	1.28
5	General Insurance Corporation of India	925230	1.40				
	Transfer			13 Oct 2017	(28165)	897065	1.36
	Transfer			20 Oct 2017	(21835)	875230	1.33
	Transfer			29 Dec 2017	(75230)	800000	1.21
	Transfer			09 Feb 2018	(50000)	750000	1.14
	At the end of the year					750000	1.14



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
6	Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.	0	0.00				
	Transfer			22 Dec 2017	38107	38107	0.06
	Transfer			29 Dec 2017	257958	296065	0.45
	Transfer			05 Jan 2018	43627	339692	0.51
	Transfer			12 Jan 2018	246417	586109	0.89
	Transfer			19 Jan 2018	43433	629542	0.95
	Transfer			26 Jan 2018	48822	678364	1.03
	Transfer			02 Feb 2018	16183	694547	1.05
	Transfer			09 Feb 2018	1996	696543	1.05
	Transfer			16 Feb 2018	(184)	696359	1.05
	Transfer			23 Feb 2018	1269	697628	1.06
	Transfer			02 Mar 2018	1003	698631	1.06
	Transfer			09 Mar 2018	1226	699857	1.06
	Transfer			16 Mar 2018	1079	700936	1.06
	Transfer			23 Mar 2018	(53)	700883	1.06
	Transfer			31 Mar 2018	(2517)	698366	1.06
	At the end of the year					698366	1.06
7	Nirmal Bang Financial Services Pvt. Ltd.	599224	0.91				
	Transfer			07 Apr 2017	(109940)	489284	0.74
	Transfer			14 Apr 2017	(4717)	484567	0.73
	Transfer			21 Apr 2017	(16328)	468239	0.71
	Transfer			28 Apr 2017	(110500)	357739	0.54
	Transfer			12 May 2017	(600)	357139	0.54
	Transfer			19 May 2017	(400)	356739	0.54
	Transfer			26 May 2017	(3500)	353239	0.53
	Transfer			02 Jun 2017	35652	388891	0.59
	Transfer			16 Jun 2017	(250)	388641	0.59
	Transfer			23 Jun 2017	(1000)	387641	0.59
	Transfer			30 Jun 2017	(1350)	386291	0.58
	Transfer			04 Aug 2017	176726	563017	0.85
	Transfer			18 Aug 2017	100	563117	0.85
	Transfer			08 Sep 2017	(84000)	479117	0.73
	Transfer			29 Sep 2017	(11864)	467253	0.71
	Transfer			13 Oct 2017	82699	549952	0.83
	Transfer			03 Nov 2017	3000	552952	0.84
	Transfer			10 Nov 2017	(1500)	551452	0.83
	Transfer			17 Nov 2017	(1100)	550352	0.83
	Transfer			24 Nov 2017	22622	572974	0.87



## Annexure to Directors' Report (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
	Transfer			01 Dec 2017	(6311)	566663	0.86
	Transfer			08 Dec 2017	(14211)	552452	0.84
	Transfer			15 Dec 2017	2450	554902	0.84
	Transfer			22 Dec 2017	19400	574302	0.87
	Transfer			29 Dec 2017	(8850)	565452	0.86
	Transfer			05 Jan 2018	(5424)	560028	0.85
	Transfer			12 Jan 2018	(8642)	551386	0.83
	Transfer			19 Jan 2018	(1784)	549602	0.83
	Transfer			26 Jan 2018	(250)	549352	0.83
	Transfer			09 Feb 2018	(2400)	546952	0.83
	Transfer			16 Feb 2018	2000	548952	0.83
	At the end of the year					548952	0.83
8.	Acadian Emerging Markets Small Cap Equity Fund LLC	206342	0.31				
	Transfer			21 Apr 2017	21142	227484	0.34
	Transfer			12 May 2017	33749	261233	0.40
	Transfer			08 Dec 2017	31529	292762	0.44
	Transfer			22 Dec 2017	39286	332048	0.50
	Transfer			12 Jan 2018	55201	387249	0.59
	Transfer			02 Feb 2018	36382	423631	0.64
	At the end of the year					423631	0.64
9.	Old Mutual Global Investors Series Public Limited Company	0	0.00				
	Transfer			01 Dec 2017	81893	81893	0.12
	Transfer			15 Dec 2017	200000	283893	0.43
	At the end of the year					283893	0.43
10.	Acadian Emerging Markets Equity II Fund LLC	162567	0.25				
	Transfer			05 May 2017	41172	203739	0.31
	Transfer			08 Dec 2017	18098	221837	0.34
	Transfer			22 Dec 2017	38436	260273	0.39
	At the end of the year					260273	0.39



## Annexure to Directors' Report (Contd.)

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)		Date of Transaction	Increase/ (Decrease) in shareholding	Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Shri Shree Kumar Bangur	2617979	3.96				
	Transfer			07 Apr 2017	5000	2622979	3.97
	Transfer			21 Apr 2017	13122	2636101	3.99
	Transfer			28 Apr 2017	2878	2638979	4.00
	Transfer			08 Sep 2017	20000	2658979	4.03
	Transfer			06 Oct 2017	10000	2668979	4.04
	Transfer			03 Nov 2017	10000	2678979	4.06
	Transfer			16 Mar 2018	3915	2682894	4.06
	Transfer			23 Mar 2018	7084	2689978	4.07
	At the end of the year					2689978	4.07
2	Smt. Shashi Bangur	2087051	3.16				
	Transfer			25 Aug 2017	4985	2092036	3.17
	Transfer			01 Sep 2017	13355	2105391	3.19
	Transfer			08 Sep 2017	11660	2117051	3.21
	Transfer			15 Sep 2017	10000	2127051	3.22
	Transfer			20 Oct 2017	10000	2137051	3.24
	Transfer			27 Oct 2017	10000	2147051	3.25
	Transfer			03 Nov 2017	4214	2151265	3.26
	Transfer			16 Mar 2018	15000	2166265	3.28
	Transfer			23 Mar 2018	7202	2173467	3.29
	Transfer			31 Mar 2018	7798	2181265	3.30
	At the end of the year					2181265	3.30
3	Shri Saurabh Bangur	1451730	2.20				
	Transfer			25 Aug 2017	10000	1461730	2.21
	Transfer			20 Oct 2017	10000	1471730	2.23
	Transfer			27 Oct 2017	8000	1479730	2.24
	Transfer			16 Mar 2018	10000	1489730	2.26
	Transfer			31 Mar 2018	4800	1494530	2.26
	At the end of the year					1494530	2.26



## Annexure to Directors' Report (Contd.)

**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	34784.27	15332.77	3160.47	53277.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	141.71	-	-	141.71
<b>Total (i+ii+iii)</b>	<b>34925.98</b>	<b>15332.77</b>	<b>3160.47</b>	<b>53419.22</b>
<b>Change to Indebtedness during the financial year</b>				
• Addition	9416.30	-	301.98	9718.28
• Reduction	(22164.02)	(1168.87)	(322.71)	(23655.60)
<b>Net Change</b>	<b>(12747.72)</b>	<b>(1168.87)</b>	<b>(20.73)</b>	<b>(13937.32)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	22036.55	14163.90	3139.74	39340.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	126.05	-	-	126.05
<b>Total (i+ii+iii)</b>	<b>22162.60</b>	<b>14163.90</b>	<b>3139.74</b>	<b>39466.24</b>

**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	120.00	138.85	258.85
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	8.49	8.49
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
<b>2</b>	<b>Stock option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission - As % of Profit **</b>	954.61	-	954.61
<b>5</b>	<b>Others : Provident Fund, Superannuation &amp; Gratuity</b>	38.17	16.32	54.49
	<b>Total (A)</b>	<b>1112.78</b>	<b>163.66</b>	<b>1276.44</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 A of Section II of Part II of Schedule V of the Companies Act, 2013.

\*\*Commission relates to the Financial Year ended 31st March, 2018 which will be paid during Financial Year 2018-19.



## Annexure to Directors' Report (Contd.)

## 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	Shri Sudarshan Somani	Smt. Shashi Bangur	Shri Saurabh Bangur	
1	<b>Independent Directors</b>									
	- Fee for attending board & committee meetings	0.80	0.30	0.20	0.70	0.70	0.40	-	-	3.10
	- Commission	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.80</b>	<b>0.30</b>	<b>0.20</b>	<b>0.70</b>	<b>0.70</b>	<b>0.40</b>	<b>0.00</b>	<b>0.00</b>	<b>3.10</b>
2	<b>Other Non-Executive Directors</b>									
	- Fee for attending board & committee meetings	-	-	-	-	-	-	0.40	0.40	0.80
	- Commission	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.40</b>	<b>0.40</b>	<b>0.80</b>
	<b>Total (B) = (1+2)</b>	<b>0.80</b>	<b>0.30</b>	<b>0.20</b>	<b>0.70</b>	<b>0.70</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>	<b>3.90</b>
	<b>Total Managerial Remuneration (A+B)</b>	-	-	-	-	-	-	-	-	<b>1280.34</b>

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	CEO	Shri Brajmohan Prasad (Company Secretary)	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	10.23	-	10.23
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	0.71	-	0.71
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-
2	<b>Stock option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
5	<b>Others : Provident Fund, Superannuation &amp; Gratuity</b>	-	0.88	-	0.88
	<b>Total (C)</b>	-	<b>11.82</b>	-	<b>11.82</b>





## Annexure to Directors' Report (Contd.)

## 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 : Kolkata  
Date : 21st May, 2018**S. K. BANGUR**  
Chairman & Managing Director



## Annexure to Directors' Report (Contd.)

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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. ₹ 8259.76 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) ₹ 165.20 Lakhs
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year : ₹ 202.27 Lakhs (including previous year actual unspent amount ₹ 37.07 Lakhs)
  - b) Amount unspent, if any; : ₹ 52.37 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 program (2) Overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
1	<b>Health Care Programme</b> - Paediatric Health Check-up, Free Eye Check-up Camp, Medical Equipments supplied to Hospitals, Free Veterinary Camps with distribution of Medicines and Protein supplements.	Health Care	Rural/Local, Dandeli, Dist : Uttar Kannada, Karnataka/others	5.03	5.03	5.03	Directly/Free Medicines/ Paediatric/ Eye/Orthopaedic Check up Camp and Veterinary Camps
2	<b>Education Support Programmes</b> - Contributions for construction of School Buildings, Supply of Subsidised Note Books, Supply of Desk cum Benches, Supply of Umbrella, School Bags etc for School Children.	Education	Dandeli Taluka Schools, Colleges and Haliyal Taluka Schools.	52.17	52.17	52.17	Directly to the Children and Schools and Colleges.
3	<b>Environmental Initiative</b> - Maintenance of Dandakaryna Eco Park, Nanadagokul Garden in Dandeli, Desilting of Water Bodies in surrounding villages, Contributions for Flora and Fauna conservation programme of Forest Department.	Environmental Sustainability and Ecological Balance	Dandeli Taluka, Down Stream villages and Karnataka Forest Department.	13.36	13.36	13.36	Directly to the concerned performer.



## Annexure to Directors' Report (Contd.)

(₹ 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 program (2) Overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
4	<b>Rural Infrastructure Development</b> (Other than for the purpose of Health/Education/ Livelihood and others) - Creation of shelter & cycle stand facilities in Village Revenue office, Truck Terminal, Bus Shelters, Contribution for Construction of Community Halls.	Rural Development Projects	Down Stream Villages and surroundings of Dandeli and Dakshina Kannada District.	54.12	54.12	54.12	Directly executed by Company and Direct Contributions to the Trusts
5	<b>Promotion and Development of Traditional Arts &amp; Culture</b> - Contributions to Karnataka Sangha, Karavali Utsav, Cultural Societies etc.	Protection of Heritage, Arts and Culture	Dandeli Local Area and at Karwar	10.84	10.84	10.84	Directly to the performers
6	<b>Making Available Safe Drinking Water for Rural Public</b> - Piped Potable water supplied through Jal Nirmal Yojana	Safe Drinking Water	Seven Down Stream Villages	3.57	3.57	3.57	Directly incurred by Company
7	<b>Contributions &amp; Sponsorships for Rural Sports and Nationally Recognised Sports</b> - State Level Badminton Tournament in Dandeli, Contributions to Sports events and Sponsorships for Kolkata Clubs.	Promotion of Rural Sports and Nationally Recognised Sports	Dandeli Region Public and Kolkata	10.72	10.72	10.72	Direct Payments to Activity Organisers / Supply of Sports materials
8	<b>Contribution to the benefit of Martyrs' Dependents at Uttara Kannada District</b>	Benefit to Martyrs' dependents	Defence service department	0.09	0.09	0.09	Directly to the Deputy Director Sainik Welfare Dept. Karwar.
				149.90	149.90	149.90	

\* 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 Rs.202.27 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 Rs. 52.37 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 : 21st May, 2018

Saurabh Bangur

(Vice Chairman)

S. K. Bangur

(Chairman of CSR Committee)



# Annexure to Directors' Report (Contd.)

## WCPM INITIATIVES TOWARDS CORPORATE SOCIAL RESPONSIBILITY 2017-18



Free Child Health Checkup & Treatment Camp



Distribution of Desk & Benches to Schools & Colleges



Distribution of waste collection bins across Dandeli



Bus Shelter at Gaonthan, Dandeli



Tree Plantation at Rotary School, Dandeli



Tree Plantation at Govt. Urdu High School, Dandeli



## 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 : Kolkata  
Date : 21st May, 2018

**S. K. Bangur**  
*Chairman & Managing 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 : 418:1 <i>Chairman &amp; Managing Director</i>	
		Shri Rajendra Jain : 61:1 <i>Executive Director</i>	
		Shri Brajmohan Prasad : 4:1 <i>Company Secretary &amp; Compliance Officer</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 : 28.57% <i>Chairman &amp; Managing Director</i>	(₹ 1112.78 lakhs in 2017-18 including commission, against ₹ 865.54 lakhs in 2016-17 including commission)
		Shri Rajendra Jain : 24.09% <i>Executive Director</i>	(₹ 163.66 lakhs in 2017-18, against ₹ 131.89 lakhs in 2016-17)
		Shri Brajmohan Prasad : 88.29% <i>Company Secretary &amp; Compliance Officer</i>	(₹ 11.82 lakhs in 2017-18, against ₹ 6.27 lakhs in 2016-17 i.e., for 8 months)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	1.01%	
(iv)	The number of permanent employees on the rolls of Company.	2416	
(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 0.08 % (other than Managerial Personnel) whereas remuneration to managerial personnel increased by 96.15%.	
(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 Companies (Accounts) Rules, 2014 and forming part of the Directors' Report to the members for the year ended 31st March, 2018.

### (A) CONSERVATION OF ENERGY

#### (i) Measure taken for Energy conservation

1. Replacement of 7 numbers old inefficient Pumps & Motors with energy efficient Pumps along with Motors at River Pump House and Filter House.
2. Stoppage of old condensate tank transfer Pump by diversion of Paper Machine No. 5 and CLO<sub>2</sub> condensate return lines to new storage tank.
3. Reducing Enmas Boiler Feed Water Pump discharge pressure by one Stage impeller blinding (Feed Pump no.1) to reduce power consumption.
4. Replacement of old inefficient Jackwell Pumps & Motors with energy efficient Pumps along with Motors at Power House.
5. Replacement of High Capacity Injection Pump with adequate capacity Pumps at Power House.
6. Replacement of 6 Numbers time based water drains at Air Coolers of centrifugal compressor by Armstrong make Zero Air leak Liquid drains to save compressed Air.
7. Replacement of 40 numbers old Motors with energy efficient IE3 Motors at Paper Machine section. (Phase 1st)
8. Replacement of 66 numbers old Motors with energy efficient IE3 Motors at Paper Machine and Recovery section. (Phase 2nd)
9. Replacement of Line shaft old Motor with Energy Efficient Motor in Paper Machine no.2 drive section (along with Steam Condensate modification).
10. Reducing length of Line Shaft after separation of Calendar section additional drives with VFD AC Motors in Paper Machine no.1.
11. Replacement of high capacity 338 KW slip ring Motor with low capacity 260 KW squirrel cage Motor to save power at Stock Preparation no. 5 Refiner no.1.
12. Replacement of 2 numbers ETP Blower High capacity Motors from 315 KW to 200 KW to improve Motor efficiency.
13. Installation of 4 numbers (Total 1530 KVAR) additional capacitor bank in machine section to improve the Power Factor.
14. Vacuum system modification in Paper Machine No.1 to reduce number of vacuum Pumps running to save energy.
15. Use of fine bar refiner disc in place of regular refiner disc, at Paper Machine No.2 refiners.
16. Replacement of old agitator with New Energy efficient Agitator in Machine Chest 1 at Paper Machine No.1
17. Replacement of Old inefficient Vacuum Pump No.4 and motor with energy efficient Vacuum Pump and Motor at Paper Machine No. 3.
18. Energy savings by Impeller Trimming in White water Fan Pump No. 3 of Paper Machine No.1.
19. Modification of Hood and pocket ventilation system, Head box modification along with installation of size press in Paper Machine No.3 for product change and steam saving.
20. Modification of steam condensate system in Paper Machine No. 2 along with hood and pocket ventilation system to reduced specific steam consumption.
21. Using Paper Machine No.4 stand by high capacity vacuum Pump for Paper Machine No. 5 in place of Old small capacity vacuum Pumps to save energy.
22. Installation of VFD at FFE2 calendria body no. 7 feed Pump P003 (37kw)
23. Removal of Fluid coupling in BHEL ID fan by direct coupling with VFD Motor to reduce power consumption and cooling water saving.
24. Bypassing Weak Black Liquor Heat exchanger to save steam at FFE 1.



## Annexure to Directors' Report (Contd.)

### (ii) Steps taken for utilising 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. 20/122/2011-U&I dated 09.01.2012. The steam generated from chemical recovery Boilers is 51 % of total steam generation of the Mill in the year 2017-18.
2. Installation of 58 Nos. Turbojet ventilators at various places of factory area in place of Electrical exhaust fans.

### (iii) Details of investment made on energy conservation schemes & savings achieved :

Total Investment	₹ 818.89 Lakhs
Monetary Benefit	₹ 729.67 Lakhs/annum
Steam Saving	32946 MT /annum
Power Saving	137.45 Lkwh /annum

### (B) TECHNOLOGY ABSORPTION

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

1. Regular evaluation and monitoring of imported raw material [chips] for moisture, yield and strength properties.
2. Study on pulping of various indigenous wood for better yield and strength at optimum cost.
3. Implementation of modernized compact cooking [ Opti - C ] in our process to get better yield and Kappa No at very low H – factor by which we can save process steam [energy].
4. Utilization of various enzyme in refining process helps in maintaining cellulose chain length for improved strength and also save the power.
5. Successfully ASA trial was taken on M/c III for minimizing cost of production and better quality of paper.
6. To minimize effluent load by minimizing COD and couler of effluent, trial with various polymers had been taken the pilot plant study was found successful on controlled condition and discussion on implementing the plant scale trial was under process.

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

Improved Productivity, better quality, cost reduction, conservation of valuable 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, area where absorption as not taken places, and the reason there of; and

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

	2017-18	2016-17
(a) Capital	Nil	Nil
(b) Recurring	55.00	56.09
(c) Total	55.00	56.09
(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 ₹ 2013.65 Lakhs and ₹ 39473.50 Lakhs respectively (₹2590.41 Lakhs and ₹ 33475.34 Lakhs previous year).

Place : Kolkata  
Date : 21st May, 2018

For and on behalf of the Board  
**S K Bangur**  
Chairman and Managing Director



## 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 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) The Directors have selected such accounting policies which have been applied consistently and made judgment 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, 2018 have been prepared on a 'going concern' basis.
- v) The accounts for the financial year ended on 31st March, 2018 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.
- 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 : Kolkata  
Date : 21st May, 2018

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





## Annexure to Directors' Report (Contd.)

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule

No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
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 2018 ('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 2018 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 thereunder;
- (b) Labour laws and other incidental laws related to labour and employees appointed by the Company;
- (c) Acts and Rules prescribed under prevention and control of pollution;
- (d) Acts and Rules relating to Environmental protection, energy conservation and hazardous substances and chemicals;
- (e) Acts and Rules relating to boilers, electricity 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: NIL

### **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, 2018

**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 there 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, 2018

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



# Management Discussion & Analysis

## 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.

World paper output increased +0.8% year on year to 410 million tons in 2017. The world's three largest paper producing countries are China, the United States and Japan. These three countries account for approximately half of the world's total paper production.

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 paper sector which has been under severe pressure from electronic media may have entered 2018 on better conditions after significant capacity withdrawals continued throughout the industry in recent years. More specifically in North America, the US paper market is benefitting from a positive impact from USD weakness on industry and trade.

The graphic paper market is expected to continue to face declining demand worldwide. But this decline should be balanced by the increase in demand for packaging – industrial as well as consumer and tissue products. All in all, demand for fiber-based products is set to increase globally with some segments growing faster than others. The one hazy spot in demand might be concerns over how fast it will grow in China. Given China's weight in the global paper and board market, even relatively modest slowdown can have significant impact.

Overall India is expected to grow at 4%, China 1%, Indonesia 1%, Thailand 1%, Japan-negative growth.

### INDIAN PAPER INDUSTRY:

India's share in global paper demand is gradually growing as domestic demand is increasing at a steady pace while demand in the western nations is contracting. The domestic demand in India grew from 9.3 million tonnes in FY 2008 to 15.3 million tonnes in FY 2016 at a CAGR of 6.4%.

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 kg. India holds 15th rank among paper producing countries in the world.

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. The specie wise share is 24% wood based, 65% recycled fibre based and 11% agro residue based raw material.

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 Rs. 50,000 Crores and contributes over Rs.4,500 Crores p.a. to the national exchequer. Even more importantly it is providing employment opportunities to over 2 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 Rs. 12,284 Crores in the year 2015-16 as compared to Rs.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.

It is expected that the overall paper demand growing at a CAGR of 6.6% is likely to touch 18.5 million tonnes in 2018-19. Printing and Writing segment demand is expected to grow at a CAGR of 4.2% whereas demand for Packaging Paper and Board segment is expected to grow at a CAGR of 8.9%.



## Management Discussion & Analysis (Contd.)

The demand drivers include rising income levels, growing per capita expenditure, likely pick up from the education sector, requirement of better quality packaging of FMCG products marketed through organized retail and increasing preference for ready to eat foods. On the other hand, the challenges include access to quality and cost competitive raw material, competition from imports and technology obsolescence.

The availability of raw-material has always been a matter of concern for the Industry. Against the current demand of 11 million TPA for pulpable wood by paper industry, domestic availability is 9 million TPA only. The projected demand was expected to rise to 15 million TPA by 2014-15. The Industry 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 lakhs GMT in 2015-16, 4.12 lakhs GMT in 2016-17 and 4.15 lakhs GMT in 2017-18 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:**

The global annual CAGR for IP traffic is 36% and for Fibre is 17%. During 2003-09 for 3G fibre consumption was 722 million km and during 2010-16 for 4G & FTTH, it was 2037 million km. Now with 5G drive demand will be almost 3 times of deployed Fibre.

In India, Current ratio of voice and data is 75:25 which is going to change to 43:57.

Indian optical fiber cables market is growing by leaps and bounds as per expectation due to expansion of telecom infrastructure throughout the Country and it is expected to continue for another next ten years with India launching 5G by mid of 2018.

The optical fiber cables market in India is expected to surpass US \$ 424 Million by 2020 and further grow exponentially.

## **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



## Management Discussion & Analysis (Contd.)

being of 3.00 million tonnes in 2016-17 as against 2.61 million tonnes in 2015-16 and 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:

Bharat Net completed 1 lakh Gram Panchayats and another 1.5 lakhs Gram Panchayats are getting connected in phase II with cable requirement of 3 lakhs km (7.5 million km fibre). In phase III, there will be further cable requirement for ring structure of about 12 lakhs km (about 50 million km fibre). Thus, there will be drastic increase of OFC layout in next 5 years. Most of the tenders are coming out under Turnkey - EPC contract basis which has again increased our scope for getting into EPC business to increase turnover and profitability.

The threat is the availability of Optical Fibre due to global growth in data resulting into new cable deployments. For ensuring the prime raw material, we have planned various strategies like widening supplier base, going for long term contract and starting Draw Tower Project for optical fibres of our own.

### 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 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 utilization, good demand outlook, moving into environmental friendly and value added products; the Company is expected to sustain its growth prospects.

#### CABLE DIVISION:

Looking at the upcoming demand and competition, Cable Division has started to increase its capacity by incorporating a new subsidiary company with new set of machines to increase market share. It will start operation from 2nd half of 2018-19 financial year.

Further, to increase productivity and profitability in coming years Cable Division has planned to go for investing in Draw Tower to draw fibre which is the prime raw material for Cable Division and because of its scarcity, the availability is restricted and price is also rising every day. The new facility is expected to come into operation from 2020.

We have already started EPC project of cable laying business with small test order in Uttaranchal and expecting good business in Q2/Q3 2018-19.

### 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 2017-18.

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



## Management Discussion & Analysis (Contd.)

Threat from excessive inflow of imported paper at cheaper price will continued to be there in near future and the Company needs 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 institutionalized. 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 31,2018, 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.

### 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 31.03.2018 are 2416.

### 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 2017-18 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.
- Six 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:

Directors	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	5	8	-	-
Smt. Shashi Bangur	Promoter, Non-Executive Director	4	5	-	-
Shri Saurabh Bangur	Promoter, Vice - Chairman	2	3	-	-
Shri Premal N. Kapadia	Independent Non-Executive Director	3	2	1	1
Lt. Gen [Retd.] Utpal Bhattacharyya	Independent Non-Executive Director	3	-	-	-
Shri Krishna Kumar Karwa	Independent Non-Executive Director	2	4	3	-





## Report on Corporate Governance (Contd.)

Directors	Category	Board Meetings Attended	Number of other Director-Ships*	No. of Membership of other Board Committees (*)(**)	No. of Board Committees for which Chairperson (*) (**)
Shri M.P.Taparia	Independent Non-Executive Director	2	4	1	1
Shri Amitav Kothari	Independent Non-Executive Director	4	3	1	2
Shri Sudarshan Somani	Independent Non-Executive Director	2	1	1	1
Shri Rajendra Jain	Executive Director	4	-	-	-

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

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

Shri Saurabh Bangur and Shri Rajendra Jain attended the last Annual General Meeting.

### iii) Board Meetings held :

- During the year under review, Six Board Meetings were held on May 25, August 09, November 10, 2017 and January 29, February 08, March 17, 2018.
- 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, Shri Saurabh Bangur and Shri Sudarshan Somani holds 2181265, 1494530 and 197300 equity shares respectively of the Company.

Details of Familiarization programs imparted to independent directors are available at 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 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 8th February, 2018.

### 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 five Directors, of whom four 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:

Name of Directors	Category	Chairman/Member
Shri P.N.Kapadia	I/NED	Chairman
Lt. Gen (Retd.) Utpal Bhattacharyya	I/NED	Member
Shri Amitav Kothari	I/NED	Member
Shri Sudarshan Somani (appointed on 10.11.2017)	I/NED	Member
Shri Rajendra Jain	ED	Member

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

During the year ended March 31, 2018, four meetings of the Audit Committee were held on May 25, 2017, August 09, 2017, November 10, 2017 and February 08, 2018. The attendance of the Chairman and the Members of Audit Committee at the meetings held during the year under review were as under:-

Name of the Directors	No. of Meetings attended
Shri P. N. Kapadia	3
Lt. Gen. (Retd.) Utpal Bhattacharyya	3
Shri Amitav Kothari	2
Shri Sudarshan Somani	1
Shri Rajendra Jain	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.)

Name of Directors	Category	Chairman/Member
Shri M.P. Taparia	I/NED	Chairman
Shri P.N.Kapadia	I/NED	Member
Lt.Gen. (Retd.)Utpal Bhattacharyya	I/NED	Member

### iii) Meetings and attendance during the year

The Nomination and Remuneration Committee met on 10th November, 2017 to approve Annual increment of Salary to the Executive Director. Shri P.N.Kapadia and Lt.Gen. (Retd.)Utpal Bhattacharyya attended the meeting.

## C) STAKEHOLDERS RELATIONSHIP COMMITTEE

### i) Brief description of terms of reference

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

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

The composition of the Stakeholders Relationship Committee is as under:

Name of Directors	Category	Chairperson/Member
Smt Shashi Bangur	NED	Chairperson
Shri Saurabh Bangur	NED	Member
Shri Rajendra Jain	ED	Member

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

### iii) Meetings and Attendance during the year

During the year, four meetings were held on 17th July, 23rd December, 2017 and 8th January, 16th March, 2018. Details of attendance are as follows:

Name of the Directors	No. of Meetings attended
Smt. Shashi Bangur	3
Shri Saurabh Bangur	4
Shri Rajendra Jain	1

### iv) 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, 2018.

## D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### i) Brief description of terms of reference

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.)

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

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. Taparia	I/NED	Member

### iii) Meetings and Attendance during the year

During the year, two meetings were held on 9th May and 30th October, 2017. Details of attendance are as follows:

Name of Directors	No. of Meetings attended
Shri S.K. Bangur	2
Shri Saurabh Bangur	2
Shri M.P. Taparia	0

## E) FINANCE AND CORPORATE AFFAIRS COMMITTEE

### i) Brief description of terms of reference

Finance and Corporate Affairs Committee deals with borrowing money, inter-corporate Loans/Deposit, parking/investing surplus funds and open/ close Bank Accounts, with enhanced powers like review Financial Planning, Strategic Planning, Monitor Adequate Funds, Investment of Surplus Funds in Mutual Funds, Derivatives etc.

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

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 Amitav Kothari (appointed on 08.02.2018)	I/NED	Member
Shri Rajendra Jain	ED	Member

### iii) Meetings and Attendance during the year

During the year, five meetings were held on 9th May , 21st July, 31st August,2017 and 2nd February, 27th March,2018. Details of attendance are as follows:

Name of Directors	No. of Meetings attended
Shri Saurabh Bangur	5
Shri S.K. Bangur	4
Shri Amitav Kothari	1
Shri Rajendra Jain	4

## 4) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Performance evaluation criteria for independent directors are covered in Directors' Report forms a 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.



## Report on Corporate Governance (Contd.)

### 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 @ Rs.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, 2018, for information of members, are furnished here below

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

S.N.	Name of Directors	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	70,000	
4.	Lt.Gen. [Retd.] Utpal Bhattacharyya	80,000	
5.	Shri Krishna Kumar Karwa	30,000	
6.	Shri M. P. Taparia	20,000	
7.	Shri Amitav Kothari	70,000	
8.	Shri Sudarshan Somani	40,000	
<b>TOTAL</b>		<b>3,90,000</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	1,20,00,000	1,38,84,739
	- Contribution to Provident, Gratuity and Superannuation Fund	38,16,923	16,32,090
	- Benefits-Allowances/perks	-	8,49,587
	- Commission	9,54,61,000	-
	<b>TOTAL</b>	<b>11,12,78,000</b>	<b>1,63,66,416</b>
(ii)	<b>Details of Fixed Component and performance linked incentives along with the performance criteria:</b>		
	(a) Fixed Component :	(Rs. Per month)	(Rs. Per month)
	- Salary – per month	10,00,000	7,23,080
	- Contribution to Provident Fund & Superannuation Fund	As per Rules	As per Rules
	- Perks and other allowances	As per Rules	As per Rules



## Report on Corporate Governance (Contd.)

	(b) Performance Linked Incentive : 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.	-
	(c) Minimum Remuneration : 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 Companies Act, 2013.
(iii)	<b>Service Contracts, notice period, severance fees:</b>		
	(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)	<b>Stock Option details, if any</b>	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
60th	Friday	31.07.2015	4:00 P.M	Bangur Nagar, Dandeli
61st	Wednesday	31.08.2016	4:00 P.M	Bangur Nagar, Dandeli
62nd	Thursday	31.08.2017	4:00 P.M	Bangur Nagar, Dandeli

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

- (1) At the 62nd Annual General Meeting held on 31st August, 2017, there was no any Special Resolution.
- (2) 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".



## Report on Corporate Governance (Contd.)

v) Adoption of Articles of Association in substitution and to the entire exclusion, of the regulations contained in the existing Articles of the Association of the Company.

(3) 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.

**(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**

### 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) 63rd Annual General Meeting:**

Date 22nd August 2018  
 Time 4.00 PM  
 Venue Shree Rangnath Auditorium  
 Bangur Nagar, DANDELI -581 325

**B) Tentative Financial Calendar 2018-19**

**Adoption of Quarterly Results**

<b>for the quarter ending</b>	<b>1st/2nd week of -</b>
- June 30, 2018	August 2018
- September 30, 2018	November 2018
- December 31, 2018	February 2019
- March 31, 2019 (year ending)	3rd /4th week of May 2019

**C) Book Closure date 11th August to 22nd August 2018  
 (Both days inclusive)**

**D) Dividend payment date 28th August 2018 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



## Report on Corporate Governance (Contd.)

(b) National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza  
Bandra-Kurla Complex, Bandra(E)  
Mumbai - 400 051

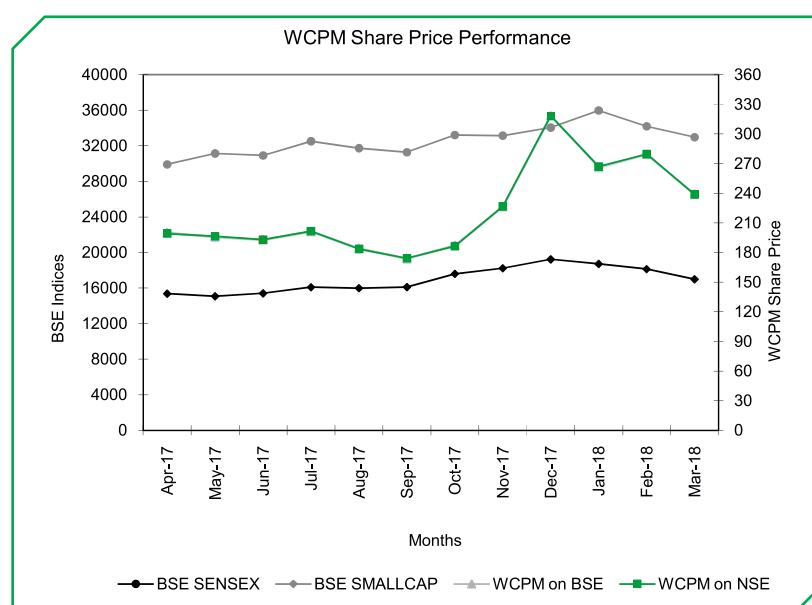
### F) Listing Fees

Listing fee for the year 2017-18 and 2018-19 has been paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

### 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, 2017	210.00	174.75	209.00	174.50
May, 2017	211.85	171.70	211.00	<b>171.05</b>
June, 2017	209.40	189.10	209.40	188.80
July, 2017	207.05	191.95	207.40	192.05
August, 2017	212.90	175.00	213.50	174.70
September, 2017	194.25	173.00	194.10	172.80
October, 2017	190.00	<b>169.80</b>	191.00	175.20
November, 2017	242.95	185.35	243.60	185.25
December, 2017	343.60	222.85	343.00	222.70
January, 2018	<b>348.40</b>	264.00	<b>348.00</b>	263.30
February, 2018	294.05	247.00	294.00	247.10
March, 2018	280.00	225.00	294.00	228.50







## 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 Patterns as on March 31, 2018

Category	No. of shares held	% of shareholding
Promoters	37014842	56.04
Mutual Funds & UTI	5743628	8.70
Alternate Investment Funds	238782	0.36
Foreign Portfolio Investor	4256066	6.44
Banks, Financial Institutions, Insurance Companies	1200724	1.82
Private Corporate Bodies	4028788	6.10
Indian Public	13100960	19.84
NRIs/OCBs	220594	0.33
Foreign Nationals	12050	0.02
IEPF	232474	0.35
<b>Total</b>	<b>66048908</b>	<b>100</b>

### K) Distribution of Shareholding as on March 31, 2018

From	To	No. of shareholders		No. of shares	
		Number	%	Number	%
Upto	- 5000	21036	97.68	7211930	10.92
5001	- 10000	212	0.98	1608299	2.43
10001	- 20000	120	0.56	1724393	2.61
20001	- 30000	38	0.18	903005	1.37
30001	- 40000	25	0.12	905400	1.37
40001	- 50000	14	0.06	624490	0.95
50001	- 100000	34	0.16	2356701	3.57
100001	& Above	57	0.26	50714690	76.78
<b>Total</b>		<b>21536</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 2018, 97.94% 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:

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

E) Subsidiary Company: The Financial Statements and investments if any, made by the subsidiary company, reviewed by the Audit Committee of the Company.

The minutes of the Subsidiary Company are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements if any entered into by the subsidiary Company are also placed at the Board Meeting.

F) The Company has no material Subsidiaries

G) 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.



## Report on Corporate Governance (Contd.)

### 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 21st May, 2018.

### 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 this Annual Report.

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

### 12) TRANSFER OF SHARES TO THE IEPF AUTHORITY

Pursuant to the provisions under Section 124 (5) & (6) of the Companies Act, 2013 and read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 i.e., G.S.R. 1267(E) notified on 13.10.2017, shares in respect of which Dividend has not been paid or claimed for 7 consecutive years or more were transmitted to the demat account of IEPF authority bearing DP/CI Id No. IN300708 10656671 opened with NSDL by Ministry of Corporate Affairs.

### 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 8th February, 2018.

For **West Coast Paper Mills Limited**

Place: Kolkata  
Date: 21st May, 2018

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



### Independent Auditor's Certificate on Corporate Governance

To the Members of  
**West Coast Paper Mills Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 9th August 2017.
2. We have examined the compliance of conditions of corporate governance by **West Coast Paper Mills Limited** (the 'Company') for the year ended 31 March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

#### Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2018.

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

#### Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

**Nikhil Singhi**  
Partner  
Membership Number: 061567

Date : 21st May, 2018  
Place : Kolkata



# Independent Auditors' Report

To the members of

## **WEST COAST PAPER MILLS LIMITED**

### **Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone Ind AS financial statements of **West Coast Paper Mills Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, 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 Standalone Financial Statements**

2. 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 standalone 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') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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 there under.
5. We conducted our audit 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 these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

9. The audited standalone financial statements for the year ended 31 March 2017, was carried out and reported by



## Independent Auditors' Report (Contd.)

erstwhile auditors, vide their unmodified audit report dated 25th May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose reporting previous year numbers and our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) we have also audited the internal financial controls over financial reporting (IFCOFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed Unmodified opinion;
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements.
    - ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

**Nikhil Singhi**  
Partner  
Membership Number: 061567

Date : 21st May, 2018  
Place : Kolkata



## Annexure A

to the independent auditors' report

**(Referred to in paragraph 10 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We report that:

- i. In respect of its fixed assets:
  - 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, certain fixed assets have 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) According to the information and explanations given to us and on the basis of our examination, 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, except for 109.10 acres of leasehold land for which the lease agreement is expired and pending to be renewed and registered with the government authority and 289.68 acres of factory land renewal of which is approved by Government for 30 years but lease agreement is pending to be executed.
- ii. As explained to us, the physical verification of inventories has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- iii. As informed to us, the Company has granted unsecured loans to one Company covered in the register maintained under Section 189 of the Companies Act:
  - a) In our opinion and according to the information and explanations given to us, the terms and conditions of the aforesaid loans granted by the Company are not, prima facie, prejudicial to the interest of the Company.
  - b) The loan is repayable in a single instalment along with interest after 365 days and there are no amounts overdue at balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and securities, the provisions of section 185 and 186 of the Act have been complied with.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost record is mandated by Government of India U/S 148 (1) of the Act. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Service Tax, Custom Duty, Excise Duty, cess, Goods & Service Tax and other statutory dues, as applicable.
  - b) According to the records examined and information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess, Goods & Service Tax and other material statutory dues is outstanding as at 31st March 2018, for a period of more than six months from the date they became payable.
  - c) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:



## Annexure A

to the independent auditors' report (Contd.)

Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount in dispute, unpaid
Income Tax Act 1961	1999-00 to 2014-15	Commissioner Appeals, ITAT, Honourable High Court	Nil (Paid under protest ₹ 2284 lacs)
Central Excise Act 1944	2008-09 to 2012-13	Commissioner- CESTAT	₹ 65.15 lacs
The Custom Act 1962	2013-14 & 2016-17	Honourable Supreme Court, Commissioner of Customs (Appeals)	₹ 490.27 lacs (Paid under protest ₹ 71.48 lacs)
The Tamilnadu General Sales Tax Act	2005-06	Madras High Court	₹ 30.66 lacs
Service tax under Finance Act 1994	2011-12, 2015-16 & 2016-17	Commissioner Appeals, CESTAT	₹ 1.23 lacs (Paid under protest ₹ 0.45 lacs)
Entry Tax under Karnataka Special Entry Tax Act	2004-05 and 2005-06	Honourable High Court, Bengaluru	₹ 112.98 lacs (Paid under protest ₹ 16.21 lacs)
Karnataka Forest Act, 1963	2017-18	Honourable High Court, Bengaluru	₹ 34.16 lacs

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. 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 Ind AS Financial Statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Nikhil Singhi**

Partner

Membership Number: 061567

Date : 21st May, 2018

Place : Kolkata





## Annexure B

to the independent auditors' report

**(Referred to in paragraph 11 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

1. We have audited the internal financial controls over financial reporting of West Coast Paper Mills Limited ('the Company') as of 31st March 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

2. 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 Act.

#### **Auditor's Responsibility**

3. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

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

7. 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

8. 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 March 31, 2018, 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 **Singhi & Co.**  
*Chartered Accountants*  
Firm Registration Number: 302049E

**Nikhil Singhi**  
*Partner*  
Membership Number: 061567

Date : 21st May, 2018  
Place : Kolkata



# Balance Sheet

as at 31st March 2018

(₹ in Lakhs)

	Note	As at	
		31st March, 2018	31st March, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1,03,294.30	99,811.07
Capital work-in-progress	3	322.25	601.42
Investment properties	4	-	3.86
Intangible assets	5	208.63	291.33
Biological assets other than bearer plants	6	1,661.40	2,319.14
Financial Assets:			
i) Investments in subsidiary and associates	7	1.99	-
ii) Other Investments		100.41	82.73
iii) Loans	8	180.76	205.57
Other non-current assets	9	2,679.44	1,667.84
<b>Total non-current assets</b>		<b>1,08,449.18</b>	<b>1,04,982.96</b>
<b>Current Assets</b>			
Inventories	10	34,289.29	28,267.15
Biological assets other than bearer plants	6	137.64	150.61
Financial Assets :			
i) Trade receivables	11	11,892.79	12,831.13
ii) Cash and cash equivalents	12	718.10	1,387.09
iii) Other bank balances	13	256.35	940.77
iv) Loans	8	403.70	353.32
Other current assets	14	2,689.82	4,006.78
Assets classified as held for sale	15	186.89	167.64
<b>Total Current Assets</b>		<b>50,574.58</b>	<b>48,104.49</b>
<b>Total Assets</b>		<b>1,59,023.76</b>	<b>1,53,087.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,320.98	1,320.98
Other equity	17	82,580.35	62,594.04
<b>Total Equity</b>		<b>83,901.33</b>	<b>63,915.02</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities :			
i) Borrowings	18	21,028.68	23,739.61
ii) Other financial liabilities	19	7,487.08	8,128.86
Provisions	20	370.68	328.00
Deferred tax liabilities (net)	21	1,415.40	5,652.84
Other non-current liabilities	22	6,471.30	6,127.69
<b>Total Non-current Liabilities</b>		<b>36,773.14</b>	<b>43,977.00</b>
<b>Current Liabilities</b>			
Financial Liabilities :			
i) Borrowings	23	4,419.31	8,364.90
ii) Trade payables	24	20,196.07	14,799.25
iii) Other financial liabilities	19	10,444.74	17,606.53
Provisions	20	1,041.83	1,033.54
Other current liabilities	25	2,247.34	3,391.21
<b>Total Current Liabilities</b>		<b>38,349.29</b>	<b>45,195.43</b>
<b>Total Equity and Liabilities</b>		<b>1,59,023.76</b>	<b>1,53,087.45</b>

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director

**Shashi Bangur**

Lt. Gen. (Retd) Utpal Bhattacharya

**Amitav Kothari**

Sudarshan Somani

Directors

**Brajmohan Prasad**

Company Secretary



# Statement of Profit & Loss

for the year ended 31st March, 2018

(₹ in Lakhs)

	Note	Year ended	
		31st March, 2018	31st March, 2017
Revenue from Operations	26	1,73,199.62	1,87,671.32
Revenue from Trading Operations	27	192.41	-
Other Income	28	1,829.26	237.11
<b>Total Income</b>		<b>1,75,221.29</b>	<b>1,87,908.43</b>
<b>Expenses</b>			
Cost of materials consumed	29	90,265.15	99,542.08
Purchases of stock in trade	30	119.29	-
Excise duty on sale of goods	31	2,372.11	10,737.11
Changes in inventories of finished goods & work in progress	32	650.58	2,375.38
Employee benefits expense	33	12,326.10	11,834.17
Finance costs	34	4,236.72	5,157.25
Depreciation and amortization expense	35	11,622.45	11,076.87
Impairment of assets	36	-	21.31
Other expenses	37	31,373.27	29,376.40
<b>Total Expenses</b>		<b>1,52,965.67</b>	<b>1,70,120.57</b>
<b>Profit before exceptional items and tax</b>		<b>22,255.62</b>	<b>17,787.86</b>
<b>Profit before tax</b>		<b>22,255.62</b>	<b>17,787.86</b>
Income Tax expense	38		
Current Tax		4,550.72	3,654.24
Mat Credit Entitlement		(4,550.72)	(3,654.24)
Deferred Tax		(66.99)	4,937.68
<b>Total tax expenses</b>		<b>(66.99)</b>	<b>4,937.68</b>
<b>Profit/ (loss ) for the period from continuing operations</b>		<b>22,322.61</b>	<b>12,850.18</b>
<b>Other Comprehensive Income</b>	17		
Items that may be classified to Profit or Loss		-	-
Items that will not be reclassified to Profit or Loss			
Remeasurement of employees benefit obligations		(70.49)	(797.13)
Income Tax relating to Items that will not be reclassified to Profit or Loss		15.04	204.94
<b>Other Comprehensive Income for the period ( net of tax )</b>		<b>(55.45)</b>	<b>(592.19)</b>
<b>Total Comprehensive Income for the year</b>		<b>22,267.16</b>	<b>12,257.98</b>
<b>Earning Per Equity Share for profit from Continuing Operations</b>			
Basic Earning per share ( in ₹ )		33.80	19.46
Diluted Earning per share ( in ₹ )		33.80	19.46

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director

**Shashi Bangur**

Lt. Gen. (Retd) Utpal Bhattacharya

Amitav Kothari

Sudarshan Somani

Directors

**Brajmohan Prasad**

Company Secretary



# Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	22,255.62	17,787.86
Adjustments for		
Depreciation and amortisation	11,622.45	11,076.87
Loss / (Gain) on disposal of Property, plant and equipment	(261.23)	14.62
Loss / (Gain) on sale of investments	(1.80)	-
Dividend and interest income classified as investing cash flows	(47.20)	(81.63)
Rent receipt	(5.25)	5.58
Finance Costs	4,084.54	5,432.62
Government grant income	(621.05)	-
Provision for doubtful debts	325.56	102.62
Bad debts / assets written off	98.74	-
Net exchange differences	152.19	(275.37)
Fair Value adjustment in Investment	(17.68)	-
Liabilities & Provisions written back	(172.36)	(38.00)
<b>Total</b>	<b>15,156.91</b>	<b>16,237.31</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	551.35	(1,129.74)
(increase) / Decrease in inventories	(6,022.14)	10,730.89
Increase / (decrease) in trade liabilities	5,569.18	3,674.56
(increase) / Decrease in other financial assets	26.41	74.21
(increase) / Decrease in other non-current assets	657.74	30.45
(increase) / Decrease in other current assets	1,310.68	(2,440.27)
Increase / (Decrease) in provisions	(1,068.00)	350.90
Increase / (decrease) in other financial liabilities	(981.04)	(27.08)
Increase / (Decrease) in non-current liabilities	343.61	332.96
<b>Total</b>	<b>387.79</b>	<b>11,596.88</b>
<b>Cash generated from operations</b>	<b>37,800.32</b>	<b>45,622.05</b>
Less: Income Tax paid	5,182.04	2,204.04
<b>Net cash inflow from operating activities</b>	<b>32,618.28</b>	<b>43,418.01</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(14,883.63)	(2,747.93)
Purchase of intangible assets	(7.47)	(272.62)
Investment in Subsidiary	(1.99)	-
Proceeds from sale of investments	1.80	-
Proceeds from sale of property, plant & equipment / Investment Property	309.60	-
Rent Received	5.25	(5.58)
Interest received	47.20	81.63
Bank deposits	684.43	(940.78)
Loan to Subsidiary	(50.00)	-
<b>Net Cash Flow from investing activities</b>	<b>(13,894.81)</b>	<b>(3,885.28)</b>



## Cash Flow Statement (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	9,335.69	-
Repayments of Long Term Borrowings	(18,710.64)	(19,708.59)
Proceeds / Repayment of Short Term Borrowings (Net)	(3,945.60)	(13,747.03)
Interest and Finance Charges	(4,084.54)	(5,157.25)
Dividends paid to company's shareholders	(1,651.22)	(660.49)
Dividend Distribution Tax	(336.15)	(134.46)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(19,392.46)</b>	<b>(39,407.82)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(668.99)</b>	<b>124.91</b>
Net increase or decrease in cash and cash equivalents during the year	(668.99)	124.91
Cash and cash equivalents at the beginning of the financial year	1,387.09	1,262.19
Cash and cash equivalents at the end of the financial year	718.10	1,387.09

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director

**Shashi Bangur**

Lt. Gen. (Retd) Utpal Bhattacharya

**Amitav Kothari**

Sudarshan Somani

Directors

**Brajmohan Prasad**

Company Secretary



# Notes on Standalone Financial Statements

for the year ended 31st March, 2018

## Note 1 Company Overview, Basis of Preparation and Significant Accounting Policies

### I. The Company Overview:

West Coast Paper Limited, a Public Limited Company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The registered office of the Company is situated at Bangur Nagar, Dandeli 581325 District Uttara Kannada, Karnataka. The Company was established in 1955. The Company has two business activities: Paper & Paper Board at Dandeli and Optical Fibre Cable at Mysore. The Company's Dandeli Plant is integrated Pulp & Paper Plant and produce various type of quality Paper & Paper Board. This caters to needs of innumerable industries in printing, writing, publishing, stationary, notebooks and packaging sectors in India. The Company strongly believes on Continuous Improvement in product quality, reduction in cost, and Environment Management. The Company is ISO 9001-2015, ISO 14001-2015 FSC (R) & OHSAS 18000-2007. The Company's Mysore Plant produces Optical Fibre Cable which cater requirement of telecom sector of India.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on May 21, 2018.

### II. Basis of Preparation of Financial Statements:

#### a) Statement of Compliance:

The Financial Statements of the Company, 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.

#### b) Basis of Preparation:

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.

#### c) Functional and Presentation Currency:

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

#### d) Use of Estimates:

The preparation of the Financial Statements in

conformity with the Ind AS requires Management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities, 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.

#### e) Classification of Assets and Liabilities as Current and Non-Current:

All Assets and Liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### III. Significant Accounting Policies:

#### a) Property, Plant and Equipments (PPE):

PPE are stated at cost of acquisition (net of Cenvat & VAT / GST 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.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised.

#### Decommissioning Liability:

Cost of PPE also includes the estimate of the costs of dismantling and removing the item and restoring the land back on vacant conditions at the end of lease period. The Company has estimated such costs being the present value of future liability for



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

decommissioning. Such costs are capitalized and a provision of the equivalent amount has been created. The provision is periodically increased by adding the interest cost at the IRR determined by the Company.

### Disposal of Assets:

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated depreciation & impairment loss, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

### b) Depreciation & Amortization:

The Company depreciates PPE over their estimated useful lives as per the provisions of the Schedule II of the Companies Act, 2013. The estimated useful lives of PPE are as follows:

Sr. No.	Particulars	Useful Life	Method
1.	Plant and Machinery* - Paper machines	18	SLM
2.	Plant & Machinery* - Fibreline, Powerhouse, Soda recovery Plant, ETP Plant, Duplex Board Plant	18	WDV
3.	Roads & Drainage*	18	SLM
4.	OFC Plant & Machinery*	15	SLM
5.	JFTC Plant & Machinery*	18	WDV
6.	Coal Handling Plant*	10	SLM
7.	Factory Buildings	30	WDV
8.	Non Factory Buildings	60	WDV
9.	Office Equipments	5	WDV
10.	Computers & Computer Software	3	WDV
11.	Motor Vehicles	8	WDV
12.	Intangible Assets	3	SLM

\*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.

In respect of incremental cost arising on account of realized / notional 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 at least at the end of each financial year.

### c) Investment Properties:

Investment properties held to earn rentals or for capital appreciation or both are stated in the Balance Sheet at cost, less accumulated depreciation and subsequent impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss. Transfer to, or from, investment property is done at the carrying amount of the property.

### d) 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.

### e) Assets held for Sale:

The Company recognize Assets for Sale of those assets which are not in use and identified for sale / disposal. The same is valued at carrying amount net or realizable value whichever is lower.

### f) Investments in Subsidiaries and Associates:

Current investments are carried at the lower of cost or quoted/ fair value, computed category-wise. The Company has accounted for its investment in subsidiaries and associates at cost.

### 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.





## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion costs necessary to make the sale.

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 Biological Assets which are 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 (upto 30.06.2017). From 01.07.2017 the Turnover represents net of GST.

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.

Dividend income from investments purchased is recognised when the shareholder's right to receive payment has been established

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases

### i) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand, Cash at Bank and demand deposits with banks which are subject to an insignificant risk of change in value.

### j) 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.

### k) 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.

### l) Earnings Per Share(EPS):

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### m) 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.

### n) Financial Instruments:

#### Financial Assets :

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt'

All Financial Assets are recognised on trade date when the purchase of a financial asset is under



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

### Trade Receivables:

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised at transaction value and subsequently measured at transaction value less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Company Overview, Basis of preparation and Significant Accounting Policies Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

### Financial assets at Fair Value through Profit and Loss (FVTPL):

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic

benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

### Derecognition of Financial Assets:

The Company derecognises a financial asset on trade date only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### Financial Liability:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payment,



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

### Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### Trade and Other Payables:

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### Other Financial Liabilities:

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### o) Borrowing Cost:

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

### p) 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.

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

### q) Provisions &Contingent Liabilities/ Assets:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

### r) Government Grants:

Incentive received from the Government under sales tax deferral scheme, which is interest free in nature is determined based on fair value. Fair value



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

is determined on the present value technique based on cash flow payable under the scheme & the same is amortized over the remaining period of sales tax deferral loan.

### s) Leases:

#### The Company as lessor:

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease

#### The Company as lessee

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Variable increases in lease payments which are linked to an inflation price index are considered as contingent rentals and are recognised on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### t) Recent accounting pronouncements :

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

### Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant"

### u) Significant accounting judgements, estimates and assumptions :

- The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.
- The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable

- Estimated useful life of intangible asset
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables and other financial assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



# Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

**Note 2 PROPERTY, PLANT AND EQUIPMENT**

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 2016</b>	<b>61.61</b>	<b>156.11</b>	<b>21,594.38</b>	<b>1,90,759.30</b>	<b>362.08</b>	<b>1,101.39</b>	<b>2,14,034.87</b>
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) / loss	-	-	-	(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>1,92,041.79</b>	<b>429.17</b>	<b>1,217.01</b>	<b>2,15,259.26</b>
	<b>Accumalated Depreciation as at 1st April 2016</b>	<b>-</b>	<b>-</b>	<b>11,055.96</b>	<b>93,312.28</b>	<b>235.37</b>	<b>873.09</b>	<b>1,05,476.70</b>
1	Eliminated on disposal of asset	-	-	(114.77)	-	-	-	(114.77)
2	Depreciation	-	-	962.15	9,980.56	19.44	95.11	11,057.26
3	Assets held for sale	-	-	(204.52)	(766.48)	-	-	(971.00)
4	Effect on foreign currency	-	-	-	-	-	-	-
	<b>Accumalated Depreciation as at 31st Mar 2017</b>	<b>-</b>	<b>-</b>	<b>11,698.82</b>	<b>1,02,526.36</b>	<b>254.81</b>	<b>968.20</b>	<b>1,15,448.19</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>89,515.43</b>	<b>174.36</b>	<b>248.81</b>	<b>99,811.07</b>
	<b>Gross carrying value as at 1st Apr 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>1,217.01</b>	<b>2,15,259.26</b>
1	Additions	-	5.93	626.61	14,379.07	55.70	95.49	15,162.80
2	Reclassified as held for sale	-	-	-	(507.54)	-	(1.88)	(509.42)
3	Effect of foreign exchange (gain) / loss	-	-	-	(18.70)	-	-	(18.70)
4	Deletions	-	-	(258.67)	(292.25)	-	(45.13)	(596.05)
	<b>Gross carrying value as at 31st Mar 2018</b>	<b>61.61</b>	<b>162.04</b>	<b>21,721.51</b>	<b>2,05,602.37</b>	<b>484.87</b>	<b>1,265.49</b>	<b>2,29,297.89</b>
	<b>Accumalated Depreciation as at 1st Apr 2017</b>	<b>-</b>	<b>-</b>	<b>11,698.82</b>	<b>1,02,526.36</b>	<b>254.81</b>	<b>968.20</b>	<b>1,15,448.19</b>
1	Eliminated on disposal of asset	-	-	(217.42)	(248.24)	-	(42.20)	(507.86)
2	Depreciation	-	-	862.45	10,558.89	20.65	90.15	11,532.14
3	Assets held for sale	-	-	-	(467.75)	-	(1.13)	(468.88)
4	Effect on foreign currency	-	-	-	-	-	-	-
	<b>Accumalated Depreciation as at 31st Mar 2018</b>	<b>-</b>	<b>-</b>	<b>12,343.85</b>	<b>1,12,369.26</b>	<b>275.46</b>	<b>1,015.02</b>	<b>1,26,003.59</b>
	<b>Net carrying value as at 31st Mar 2018</b>	<b>61.61</b>	<b>162.04</b>	<b>9,377.66</b>	<b>93,233.11</b>	<b>209.41</b>	<b>250.47</b>	<b>1,03,294.30</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) being the cost of ownership premises.
- 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 ₹ 18.70 Lakhs (Previous year ₹ 105.17 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 31.03.2018 is ₹ 1779.97 Lakhs. Other borrowing cost capitalised is ₹ 77.48 Lakhs (Previous Year : ₹ Nil).



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 3 CAPITAL WORK-IN-PROGRESS</b>		
Opening Balance	601.42	335.17
Add: Additions during the year	14,688.49	1,842.07
	<b>15,289.91</b>	<b>2,177.24</b>
Less: Capitalised during the year	14,967.66	1,575.82
<b>Closing Balance</b>	<b>322.25</b>	<b>601.42</b>
<b>Note 4 INVESTMENT PROPERTIES</b>		
<b>Cost</b>	14.34	14.34
Additions	-	-
Deletion\Disposal	14.34	-
<b>Closing gross carrying value</b>	-	14.34
Accumulated depreciation	10.48	10.28
Depreciation for the year	0.14	0.20
Deletion\Disposal	(10.62)	-
<b>Closing accumulated depreciation</b>	-	10.48
<b>Net carrying value of investment properties</b>	-	3.86
<b>Amount recognized in profit or loss from investment properties</b>		
Rental income	5.25	5.58
Profit on Sale of Investment Properties	280.28	-
Direct operating expenses from property that generated rental income	(3.94)	(4.23)
Direct operating expenses from property that did not generated rental income	-	-
<b>Profit from investment properties before depreciation</b>	<b>281.59</b>	<b>1.35</b>
Depreciation	0.14	0.20
Profit from investment properties	281.45	1.15
<b>Fair value of the investment properties</b>	-	<b>284.00</b>
<b>Note 5 INTANGIBLE ASSETS</b>		
<b>Computer Software</b>		
<b>Cost</b>	608.96	336.34
Additions	7.47	272.62
Deletions	-	-
<b>Closing gross value</b>	<b>616.43</b>	<b>608.96</b>
Accumulated amortization	317.63	298.06
Amortization expense	90.17	19.57
<b>Closing accumulated amortization</b>	<b>407.80</b>	<b>317.63</b>
<b>Net carrying value of intangible assets</b>	<b>208.63</b>	<b>291.33</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 6 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS</b>		
Opening balance	2,469.75	3,963.27
Expenses during the year	187.21	903.65
Consumption during the year	(857.92)	(2,397.17)
<b>Closing balance</b>	<b>1,799.04</b>	<b>2,469.75</b>
<b>Reconciliation</b>		
<b>Non-current assets</b>		
Immature crops	1,661.40	2,319.14
<b>Total non-current assets</b>	<b>1,661.40</b>	<b>2,319.14</b>
<b>Current assets</b>		
Matured crops	137.64	150.61
<b>Total current assets</b>	<b>137.64</b>	<b>150.61</b>
<b>Total biological assets other than bearer plants</b>	<b>1,799.04</b>	<b>2,469.75</b>
<b>Note 7 INVESTMENTS</b>		
<b>Non Current</b>		
<b>Investment in Subsidiaries</b>		
<b>Unquoted (at cost)</b>		
19940 Equity Shares (Previous Year : Nil ) of ₹ 10 each		
West Coast Opticables Limited	1.99	-
<b>Investment in Associates*</b>		
<b>Unquoted (at cost)</b>		
1,850,130 Equity Shares (Previous Year 1,850,130) of ₹ 10 each of		
Speciality Coatings & Lamination Limited	-	-
2,216,680 Equity Shares (Previous Year : 4,016,680) of ₹ 10 each of		
Fort Gloster Industries Limited (associate upto 19th March 2018)	-	-
<b>Total Investment in associates</b>	<b>1.99</b>	<b>-</b>
<b>Total Investments in subsidiary and associates</b>	<b>1.99</b>	<b>-</b>
<b>Others</b>		
<b>Quoted (at fair value)</b>		
542,399 Equity Shares (Previous Year : 542,399) of ₹ 10 each of Jayashree	65.03	47.35
Chemicals Ltd		
Less : Provision for Diminution in value of investments	-	-
	<b>65.03</b>	<b>47.35</b>
<b>Unquoted (at cost)</b>		
20,943 Equity Shares (Previous Year : 20,943 ) of ₹ 10 each of Kilkotagiri	35.27	35.27
and Thirumbadi Plantations Ltd.,		
37 Equity Shares ( Previous Year : 37) of ₹ 100 each of Placid Limited	0.01	0.01
<b>Investments in Government securities</b>		
6 Year National Savings Certificate	0.10	0.10
	<b>35.38</b>	<b>35.38</b>
<b>Total Investment in others</b>	<b>100.41</b>	<b>82.73</b>
<b>Total Investments</b>	<b>102.40</b>	<b>82.73</b>
Aggregate cost of quoted investments	94.96	94.96
Aggregate market value of quoted investments	65.03	65.90
Aggregate amount of unquoted investments	35.27	35.27
Aggregate provision for diminution in value of investment	29.93	47.62

\*Investment in associates are valued at ₹ Nil due to erosion in networth of associate companies resulting in impairment of value recognised in earlier years.





## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 8 LOANS</b>		
<b>Non-current</b>		
a) Security deposit		
Secured considered good	-	-
Unsecured considered good	180.76	205.57
Considered doubtful	-	-
b) Loans to related parties	-	-
Secured considered good	-	-
Unsecured considered good	-	-
Considered doubtful	-	-
<b>Total non-current loans</b>	<b>180.76</b>	<b>205.57</b>
<b>Current</b>		
a) Security deposit		
Secured considered good	-	-
Unsecured considered good	306.22	314.89
Considered doubtful	-	-
b) Other loans		
Secured Considered Good	4.83	-
Unsecured, considered good	-	-
Loans to employees	42.65	38.43
Considered doubtful	-	-
c) Loans to related parties (Subsidiary)		
Secured considered good	-	-
Unsecured considered good	50.00	-
Considered doubtful	-	-
<b>Total current loans</b>	<b>403.70</b>	<b>353.32</b>
<b>Total Loans</b>	<b>584.46</b>	<b>558.89</b>

There are no outstanding debts due from directors or key management persons of the company.

<b>Note 9 OTHER NON-CURRENT ASSETS</b>		
Capital advances	1,209.23	1,183.39
Deposit with customs	50.00	50.00
Advance tax / Tax paid at source (net of provision)* (Refer Note No. 39(1)(b))	1,420.21	434.45
<b>Total other non-current assets</b>	<b>2,679.44</b>	<b>1,667.84</b>

\* Provision for tax ₹ 4,550.72 Lakhs and Advance Tax ₹ 4,100.00 Lakhs is pertaining to current year

<b>Note 10 INVENTORIES</b>		
Raw materials (at weighted average cost)	18,841.68	12,561.02
Raw materials in transit	221.93	-
Work in progress (at cost)	223.91	470.73
Finished goods (at cost)	1,544.60	2,064.36
Finished goods in transit	-	-
Stores and spares (at weighted average cost)	13,157.34	12,915.20
Loose tools (at cost)	242.34	217.00
Stock at scrap (at realizable value)	57.49	38.84
<b>Total inventories</b>	<b>34,289.29</b>	<b>28,267.15</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 11 TRADE RECEIVABLES</b>		
<b>Current</b>		
Secured considered good	-	-
Unsecured considered good	11,892.79	12,831.13
Considered Doubtful	397.75	102.62
	12,290.54	12,933.75
Less: Allowances for credit losses	397.75	102.62
<b>Total trade receivables</b>	<b>11,892.79</b>	<b>12,831.13</b>

There are no outstanding receivables due from directors or key management persons of the company.

<b>Note 12 CASH AND CASH EQUIVALENTS</b>		
<b>Balance with banks</b>		
In Current account	707.32	1,378.22
Cash on hand	10.78	8.87
<b>Total Cash and Cash Equivalents</b>	<b>718.10</b>	<b>1,387.09</b>

<b>Note 13 OTHER BANK BALANCES</b>		
In Unpaid Dividend Accounts	50.92	42.11
In Margin Money deposits against guarantee	196.18	888.41
In Deposit Accounts	9.25	10.25
	<b>256.35</b>	<b>940.77</b>

<b>Note 14 OTHER CURRENT ASSETS</b>		
Advances other than capital advance		
a) Payment to vendors for supply of goods & services	1,655.42	1,969.53
<b>Others</b>		
a) Prepaid expenses	243.78	289.20
b) Other Assets	194.30	143.20
c) Balances with Government authorities	596.32	1,604.85
<b>Total other current assets</b>	<b>2,689.82</b>	<b>4,006.78</b>

<b>Note 15 ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Old Bleach Plant	-	39.81
DG Set	127.83	127.83
JFTC Plant	59.06	-
<b>Total of Assets classified as held for sale</b>	<b>186.89</b>	<b>167.64</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. The fair value of above assets was determined using the market value approach.

<b>Note 16 EQUITY SHARE CAPITAL</b>		
<b>Authorized</b>		
15,00,00,000 (Previous Year : 15,00,00,000) Equity Share ₹ 2/- each	3,000.00	3,000.00
65,00,00,000 (Previous Year : 65,00,00,000) Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each	6,500.00	6,500.00
<b>Total</b>	<b>9,500.00</b>	<b>9,500.00</b>
<b>Issued, Subscribed and Paid-Up</b>		
6,60,48,908 (Previous Year : 6,60,48,908) Equity Shares ₹ 2/- each fully paid up	1,320.98	1,320.98
<b>Total Equity share capital</b>	<b>1,320.98</b>	<b>1,320.98</b>



# Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

**Rights, preference and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 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.

Movements in equity share capital	No. of Shares	₹ in Lakhs
<b>As at 1st April 2016</b>	<b>6,60,48,908</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>6,60,48,908</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 2018</b>	<b>6,60,48,908</b>	<b>1,320.98</b>

**Details of shareholders holding more than 5% shares**

Name of share holders	As at			
	March 31, 2018		March 31, 2017	
	No. of shares	% of Holding	No. of Shares	% of Holding
Veer Enterprises Ltd.	1,05,38,054	15.95	1,05,97,100	16.04
Shree Satyanarayan Investments Co. Ltd.	1,03,12,973	15.61	1,03,12,973	15.61
Reliance Capital Trustee Co. Ltd., A/c Reliance Small cap fund	40,52,175	6.14	47,56,257	7.2

**Note 17 STATEMENT OF CHANGES IN OTHER EQUITY****A. EQUITY SHARE CAPITAL**

Particulars	Balance at the beginning of the reporting year		Changes in equity share capital during the year		Balance at the end of the reporting year	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
<b>For the year ended 31st March 2017</b>	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98
<b>For the year ended 31st March 2018</b>	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98

**B. OTHER EQUITY**

Particulars	Reserves & Surplus					Other Comprehensive Income	Total
	Security Premium Account	Retained Earnings	Capital Redemption Reserve	Equity Share warrant forfeited	General Reserve		
<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	-	12,850.18	-	-	-	-	12,850.18
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>5,188.57</b>	<b>6,500.00</b>	<b>277.50</b>	<b>36,934.35</b>	<b>(878.92)</b>	<b>62,594.04</b>
<b>Opening as on 1st April 2017</b>	<b>14,572.54</b>	<b>5,188.57</b>	<b>6,500.00</b>	<b>277.50</b>	<b>36,934.35</b>	<b>(878.92)</b>	<b>62,594.04</b>
Profit for the year	-	22,322.61	-	-	-	-	22,322.61
Impact due to Fair Value adjustment of Government Grant	-	(293.47)	-	-	-	-	(293.47)
Remeasurement of net defined benefit liability/asset (net of tax)	-	-	-	-	-	(55.45)	(55.45)
Dividends paid (including Dividend Distribution Tax)	-	(1,987.37)	-	-	-	-	(1,987.37)
<b>Balance as on 31st March 2018</b>	<b>14,572.54</b>	<b>25,230.34</b>	<b>6,500.00</b>	<b>277.50</b>	<b>36,934.35</b>	<b>(934.37)</b>	<b>82,580.35</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

The Board of Directors of the Company recommended a Dividend of ₹ 4/- per share (for the year ended 31st March 2017 dividend of ₹ 2.50/- per share) be paid on fully paid Equity Shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 26,41,95,632/- (for the year ended 31st March 2017 dividend ₹ 16,51,22,270/-). Dividend Distribution Tax being ₹ 5,37,84,026/- (for the year ended 31st March 2017 ₹ 3,36,15,016/-).

- a. **Security Premium Account** : This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- b. **Retained Earnings** : This Reserve represents the cumulative profits of the Company and effects of measurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- c. **Capital Redemption Reserve** : This Reserve has been transferred to the Company in the course of business combinations and can be utilised in accordance with the provisions of the Companies Act, 2013.
- d. **Equity Share Warrant Forfeited**: This Reserve represents forfeiture of share warrant by failing to meet purchase requirements and can be utilised in accordance with the provisions of the Companies Act, 2013.
- e. **General Reserve** : This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2017.
- f. **Other Comprehensive Income**: Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 18 LONG-TERM BORROWINGS</b>		
<b>Non-current Borrowings</b>		
<b>Secured at amortized cost</b>		
a) <u>Term Loans from banks</u>		
Axis Bank Ltd.	3,600.00	4,375.00
Less: Unamortised value of transaction cost	20.38	17.25
Subtotal A	3,579.62	4,357.75
Standard Chartered Bank	-	11,129.95
Less: Unamortised value of transaction cost	-	112.40
Subtotal B	-	11,017.55
Standard Chartered Bank-ECB LOAN	9,416.30	-
Less: Unamortised value of transaction cost	80.61	-
Subtotal C	9,335.69	-
State Bank of Mysore (Plantation)	-	3,285.00
Less: Unamortised value of transaction cost	-	1.86
Subtotal D	-	3,283.14
ii) <u>Term Loans from Financial Institutions:</u>		
International Finance Corporation [IFC, Washington, DC]	4,600.95	7,629.42
Subtotal E	4,600.95	7,629.42
<b>Total term loans [A+B+C+D+E]</b>	<b>17,516.26</b>	<b>26,287.86</b>
Less: Current maturities of Long Term Borrowings	5,472.26	11,122.72
<b>Total Non-current Term Loans</b>	<b>12,044.00</b>	<b>15,165.14</b>
<b>Unsecured at amortized cost</b>		
<b>Other loans</b>		
i) <u>From Others</u>		
Interest Free Loan under Sales Tax Defferment Scheme from State Government of Karnataka	9,195.51	9,743.34
Add: Fair value adjustment due to Ind AS adoption	394.90	-
Less: Current maturity of Long Term Borrowings	605.73	1,168.87
<b>Total other loans</b>	<b>8,984.68</b>	<b>8,574.47</b>
<b>Total non-current borrowings</b>	<b>21,028.68</b>	<b>23,739.61</b>

**Nature of security**

- 1 Loan from Axis Bank Ltd., is secured by way of first charge on Plant and Machinery of Dandeli Plant on pari passu basis with IFC and Standard Chartered Bank.
- 2 ECB Loan from Standard Chartered Bank is secured by way first charge on Plant and Machinery of Dandeli Plant on pari passu with IFC and Axis Bank.
- 3 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.
- 4 Interest free loan under Sales Tax Deferral Scheme is being repaid in 12 yearly installments starting from June 2014.
- 5 There is no default in repayment of loans and interest.



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

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

#### As at March 31, 2018

Particulars	Amount Outstanding	Terms of Repayment
<b>Term Loans</b>		
IFC, Washington	1,533.66	Six monthly installments
Axis Bank	2,384.60	Monthly installments
Standard Chartered Bank - ECB Loan	8,125.74	Quarterly installments
Interest free - Sales tax Loan	8,984.68	Yearly payment
<b>Total term loan</b>	<b>21,028.68</b>	

#### 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	592.97	Monthly installments
Standard Chartered Bank	8,212.05	Monthly installments
Interest free - Sales tax Loan	8,573.80	Yearly payment
State Bank of Mysore ( Plantation )	1,783.14	Bullet repayment
<b>Total term loan</b>	<b>23,739.61</b>	

	As at	
	March 31, 2018	March 31, 2017
<b>Note 19 OTHER FINANCIAL LIABILITIES</b>		
<b>Non-current</b>		
Others-		
Dealer Deposits	3,131.06	3,149.30
Employee Security Deposits	8.68	11.17
Deferred Government Grant	4,347.34	4,968.39
<b>Total non-current other financial liabilities</b>	<b>7,487.08</b>	<b>8,128.86</b>
<b>Current</b>		
Current maturities of long term debts	6,077.99	12,291.59
Current maturities of Deferred Government Grant	621.05	621.05
Interest accrued but not due on borrowings	126.05	141.71
Unpaid dividend	50.92	42.11
Other financial liabilities	3,568.73	4,510.07
<b>Total current other financial liabilities</b>	<b>10,444.74</b>	<b>17,606.53</b>
<b>Total other financial liabilities</b>	<b>17,931.82</b>	<b>25,735.39</b>

<b>Note 20 PROVISIONS</b>		
<b>Non-current</b>		
Provision for Employee benefit	370.68	328.00
<b>Total non-current provisions</b>	<b>370.68</b>	<b>328.00</b>
<b>Current</b>		
Provision for Employee benefit	977.86	1,033.54
<b>Other provisions</b>		
Liability for expenses	63.97	-
<b>Total current provisions</b>	<b>1,041.83</b>	<b>1,033.54</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 21 DEFERRED TAX LIABILITIES</b>		
Deferred tax liabilities on account of WDV of fixed assets	15,496.37	15,728.71
	<b>15,496.37</b>	<b>15,728.71</b>
Deferred tax assets on account of:		
Disallowances under section 43B of Income Tax Act	447.84	429.61
Adjustments to Ind AS	1,252.86	1,138.96
Tax Holiday period	357.29	654.77
	2,057.99	2,223.34
<b>Total deferred tax liabilities</b>	<b>13,438.38</b>	<b>13,505.37</b>
Less: MAT Credit Entitlement	(12,022.98)	(7,852.53)
<b>Total Deferred Tax Liabilities net of MAT Credit</b>	<b>1,415.40</b>	<b>5,652.84</b>
<b>Note 22 OTHER NON-CURRENT LIABILITIES</b>		
Decommissioning & Dismantling liability	6,471.30	6,127.69
<b>Total other non-current liabilities</b>	<b>6,471.30</b>	<b>6,127.69</b>
Reconciliations		
Opening Balance	6,127.69	5,794.73
Unwinding of discounts and effect of change in discount rate	343.61	332.96
Reduction arising from payments	-	-
<b>Closing balance</b>	<b>6,471.30</b>	<b>6,127.69</b>
<b>Note 23 CURRENT BORROWINGS</b>		
<b>Current</b>		
<b>Secured</b>		
Loan repayable on demand from banks*	4,419.31	8,364.90
<b>Unsecured</b>		
Loan repayable on demand from banks	-	-
<b>Total current borrowings</b>	<b>4,419.31</b>	<b>8,364.90</b>
* The short term loans 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 24 TRADE PAYABLES</b>		
<b>Trade Payables</b>		
Others	20,192.78	14,799.25
MSME	3.29	-
<b>Total trade payables</b>	<b>20,196.07</b>	<b>14,799.25</b>
<b>Note 25 OTHER CURRENT LIABILITIES</b>		
Statutory liabilities	522.34	683.34
Liabilities for expenses	26.42	18.76
Other liabilities	1,698.58	2,689.11
<b>Total other current liabilities</b>	<b>2,247.34</b>	<b>3,391.21</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 26 REVENUE FROM OPERATIONS</b>		
<b>Sales of Products (including excise duty)</b>		
Paper and Board	1,64,619.98	1,79,318.47
Cables	7,588.74	7,537.29
Wind Power	13.04	14.15
<b>Other Operating Revenues</b>		
Export Promotion Incentive	127.58	158.28
Scrap Sales	850.28	643.13
<b>Total revenue from operations</b>	<b>1,73,199.62</b>	<b>1,87,671.32</b>
<b>Note 27 REVENUE FROM TRADING OPERATIONS</b>		
Revenue from Trading Operations	192.41	-
<b>Total Revenue from Trading Operations</b>	<b>192.41</b>	<b>-</b>
<b>Note 28 OTHER INCOME</b>		
<b>Interest Income</b>		
From Banks	35.28	69.31
From Others	11.91	12.32
<b>Other Non - Operating Income</b>		
Profit on sale of Property, Plant & Equipment / Investment Property	283.22	-
Rent received	81.19	71.13
Income from government grant	621.05	-
Profit on sale of Investment	1.80	-
Liabilities and provisions written back	172.37	38.00
Sundry Balances written back	496.46	-
Others	125.98	46.35
<b>Total other income</b>	<b>1,829.26</b>	<b>237.11</b>
<b>Note 29 COST OF MATERIALS CONSUMED</b>		
Pulp Wood, Pulp & Waste Paper	64,631.74	73,194.82
Chemicals & Dyes	20,787.24	21,249.16
Packing Materials	4,846.17	5,098.10
<b>Total cost of materials consumed</b>	<b>90,265.15</b>	<b>99,542.08</b>
<b>Note 30 PURCHASES OF STOCK IN TRADE</b>		
Purchase of Trading Goods	119.29	-
<b>Total purchases of stock in trade</b>	<b>119.29</b>	<b>-</b>
<b>Note 31 EXCISE DUTY ON SALE OF GOODS</b>		
Excise duty on sale of goods (Refer Note No. 51)	2,372.11	10,737.11
<b>Total excise duty on sale of goods</b>	<b>2,372.11</b>	<b>10,737.11</b>





# Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at			
	March 31, 2018		March 31, 2017	
<b>Note 32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>				
<b>Opening Stock of Finished Goods</b>				
- Paper and Board	1,865.74		4,106.91	
- O. F. C. Cables, etc.	198.62	2,064.36	359.03	4,465.94
<b>Closing Stock of Finished Goods</b>				
- Paper and Board	1,389.24		1,865.74	
- O. F. C. Cables, etc.	155.36	1,544.60	198.61	2,064.35
		519.76		2,401.59
<b>Opening Stock of Work-in-progress</b>	470.73		580.35	
<b>Closing Stock of Work-in-progress</b>	223.92	246.81	470.73	109.62
		246.81		109.62
Variation in Excise Duty on Opening and Closing Stock of Finished Goods		(115.99)		(135.83)
<b>Total change in inventory of Finished goods &amp; WIP</b>		<b>650.58</b>		<b>2,375.38</b>
	As at			
	March 31, 2018		March 31, 2017	
<b>Note 33 EMPLOYEE BENEFITS EXPENSE</b>				
Salaries, Wages and Bonus		10,330.93		9,840.88
Provident & Family Pension Funds		750.02		835.82
Employees State Insurance		111.30		6.92
Gratuity Fund		153.39		124.44
Superannuation Fund		37.48		32.24
Employees Group Insurance		20.47		20.51
Leave Encashment		98.22		175.07
Staff Welfare Expense		824.29		798.29
<b>Total employee benefits expense</b>		<b>12,326.10</b>		<b>11,834.17</b>
<b>Note 34 FINANCE COSTS</b>				
Interest Expense:				
Term Loans		1,521.37		2,820.47
Others		1,316.37		1,822.37
Interest cost on Sales Tax Loan		722.48		-
Other Borrowing Costs		524.32		789.78
Applicable Net Loss ( Gain ) on Foreign Currency Transactions & Translation		152.18		(275.37)
<b>Total Finance costs</b>		<b>4,236.72</b>		<b>5,157.25</b>
<b>Note 35 DEPRECIATION AND AMORTISATION EXPENSE</b>				
Depreciation on Property, Plant and Equipment		11,532.14		11,057.10
Depreciation on Investment Properties		0.14		0.20
Amortisation of Intangible Assets		90.17		19.57
<b>Total Depreciation and Amortisation</b>		<b>11,622.45</b>		<b>11,076.87</b>
<b>Note 36 IMPAIRMENT OF ASSETS</b>				
Impairment loss on Non-Current Asset classified as held for sale		-		21.31
<b>Total impairment of assets</b>		-		<b>21.31</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 37 OTHER EXPENSES</b>		
Consumption of Stores & Spare Parts	5,587.27	5,661.26
Power, coal and water	16,852.54	15,044.77
Rent	221.41	190.07
Repair and maintenance of Buildings	1,254.69	1,230.33
Repair and maintenance of Plant and Machinery	1,801.68	1,380.94
Repair and maintenance of Other Assets	340.55	279.88
Insurance	204.24	111.44
Rates & Taxes	88.57	31.45
Research & Development Expenses	55.00	56.09
Miscellaneous Expenses	1,408.64	1,184.33
<b>Payment to Auditors</b>		
As Auditors	15.00	14.00
For limited review under listing agreement	2.00	1.50
For Taxation Matters	5.00	4.50
For Other Services	0.18	0.16
Reimbursement of Expenses	4.82	4.87
Cost Auditors' Remuneration & Expenses	1.35	1.25
Forwarding Charges on Sales	946.39	2,173.02
Commission on Sales	1,022.01	964.70
Provision for Bad Debts irrecoverable advance W/off	325.56	102.62
Commission to Director	954.61	676.15
<b>Directors' Fees &amp; Expenses</b>		
Sitting Fees	3.90	4.40
Travelling Expenses	14.60	23.43
Charity & Donations	34.02	34.15
Corporate Social Responsibility Expenses	112.83	59.87
Swatch Bharath Cess	54.60	126.61
ITC Non Recoverable	-	-
Obsolete Assets Written Off	39.82	14.61
Loss on Sale of Property, Plant & Equipment	21.99	-
<b>Total other expenses</b>	<b>31,373.27</b>	<b>29,376.40</b>

	As at	
	March 31, 2018	March 31, 2017
<b>Note 38 INCOME TAX EXPENSE</b>		
<b>Current Tax Expense</b>		
Current Tax on profits for the year	4,550.72	3,654.24
MAT Credit Entitlement for the year	(4,550.72)	(3,654.24)
<b>Total Current Tax Expense</b>	<b>-</b>	<b>-</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at	
	March 31, 2018	March 31, 2017
<b>Note 38 INCOME TAX EXPENSE</b>		
Deferred Tax		
Decrease / (Increase) in deferred tax assets	-	-
Property, Plant and Equipments	(232.35)	(436.26)
(Decrease) / Increase in deferred tax liabilities	-	-
Disallowance under section 43B	(18.23)	(46.43)
Tax holiday period	297.49	389.78
Carry Forward Losses	-	4,075.78
Adjustments to Ind AS	(113.90)	(92.69)
Long term Capital Loss	-	1,047.50
<b>Total Deferred Tax Expense / (benefit)</b>	<b>(66.99)</b>	<b>4,937.68</b>
<b>Total income tax expense</b>	<b>(66.99)</b>	<b>4,937.68</b>

<b>Note 39 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
Particulars		
<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 Note I below) (paid under protest ₹ 2,284 Lakhs)	0.00	19.74
b. Excise matters & Service Tax under dispute (paid under protest ₹ 66.39 Lakhs)	66.39	91.46
c. Custom matter under dispute (paid under protest ₹ 71.48 Lakhs)	540.27	439.03
d. Sales Tax matter under dispute	30.66	30.66
e. Forest Development Fee	34.16	-
f. Other matters under dispute	3,132.36	3,132.36
II. Other money for which the company is contingently liable :		
a. Guarantees Issued by Banks	3,582.25	3,992.37
b. Letters of Credit outstanding	9,449.82	5,197.15
c. ICICI Bank Ltd (refer note II 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)	7,944.55	6,951.42

**Notes :**

## I Income Tax

- The Income Tax assessments of the Company have been completed up to AY 2014-15.
- In the books of Accounts, the company is accounting Income tax refunds after adjustment of tax demands by IT authorities, if any. The matters are pending before High Court and ITAT for various issues. Based on legal opinion the Company is contesting those tax demands/ disallowances at appropriate level. The company has therefore not recorded adjustment of taxes/order in books.



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

**c. MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE COMPANY:**

The Company is entitled for benefit under Section 80 IA of the Income Tax Act 1961 for Power and Steam generation. Company has availed benefit of deduction under this section in various returns for the year 1999-00 to 2013-14. The assessing officer has dis-allowed the benefit of deductions. Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT has set aside the order of the Assessing officer. Department has preferred appeal against the order of ITAT. As advised by legal advisors, Company has a strong case / merit for claiming the deduction and thus expects a favourable outcome.

**d. The total demand outstanding as on 31.03.2018 on account of income tax dues is ₹ NIL (₹ 19.74 lakhs ), net of tax paid/adjusted under protest ₹ 2,284 lakhs.**

**II Loan Purchase Agreement**

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). Accordingly a Loan Purchase Agreement was executed for Rs. 40 Crores between 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 Company.

**Note 40 LEASE**

Total amount of minimum future lease payments are as follows :

Sl. No. Particulars	As at	
	31.03.2018	31.03.2017
a) Not later than one year :	6.59	7.37
b) One to five year :	26.36	29.46
c) More than Five year :	151.59	184.14
<b>Total</b>	<b>184.54</b>	<b>220.96</b>

**Note :** Lease of 289.68 acres (116.11 Hectare) has been renewed for a further period of 30 years upto 28.06.2046. The Deputy Conservator of Forests Haliyal Division is in the process of concluding the execution of Lease Agreement. The Annual Lease rent has been fixed at ₹ 5,000/- per Hectare.

**Note 41 EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33**

Particulars		
<b>Earnings</b>		
Profit for the year	22,322.61	12,850.16
<b>Shares</b>		
Number of shares at the beginning of the period	6,60,48,908	6,60,48,908
Add : Shares issued during the period	—	—
Total number of equity shares outstanding at the end of the period	6,60,48,908	6,60,48,908
Weighted average number of equity shares outstanding during the period	6,60,48,908	6,60,48,908
Earnings per share of par value ₹ 2 - Basic (₹)	33.80	19.46
Diluted (₹)	33.80	19.46

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

**I. Relationship :**

**a. Associate Company**

- 1) Speciality Coatings and Laminations Ltd
- 2) Fort Gloster (Upto 19.03.2018)

**b. Subsidiary Company**

- 1) West Coast Opticables Limited



# Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

**c. 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

**d. Key Management Personnel**

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

**e. Relative of Key Management Personnel**

- 1) Shri Virendraa Bangur

**f. Company in which Director is common**

- 1) Gloster Cables Ltd

**g. 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 Taparia
- 7) Shri Amitav Kothari
- 8) Shri Sudharshan Somani (w.e.f 10.11.2017)

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

Particulars	As at	
	31.03.2018	31.03.2017
i. Rent paid to :		
1) Veer Enterprises Ltd.	56.52	43.80
2) Shree Satyanarayan Investment Company Ltd.	44.80	42.00
3) Siddhi Trade & Holdings Pvt. Ltd.	14.76	14.52
ii. Charity & Donations :		
1) Rangnath Bangur Charitable Trust	30.00	30.15
2) Shree Rama Trust	4.00	4.00
iii. Compensation to Key Management Personnel :		
Salary & other Employee benefit to directors and Executive Officers	1,288.60	1,003.71
iv. Remuneration to Shri Virendraa Bangur	28.00	28.00
v. Purchases from Gloster Cables Ltd.	288.55	61.46

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

i. Due from related Parties		
1) Veer Enterprises Ltd.	5.55	3.30
2) Shree Satyanarayan Investment Company Ltd.	6.60	6.60

**Note 43 EARNINGS IN FOREIGN CURRENCY**

Export on FOB/CIF/CFR basis	2,013.65	2,590.41
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**Note 44 EXPENDITURE IN FOREIGN CURRENCY**

Travelling	12.12	8.52
Interest	492.38	386.61
Others	165.90	28.77
<b>Total</b>	<b>670.41</b>	<b>423.90</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### Note 45 EMPLOYEE BENEFIT PLANS

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

#### [A] Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under :

Particulars	For the year	
	2017-18	2016-17
Employer's Contribution to Provident Fund/Pension Fund	750.02	835.82
Employer's Contribution to Superannuation Fund	37.48	32.24

#### [B] Defined Benefit Plan

The following table sets out the status of the Gratuity Plan as required under IND AS-19 :

#### Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Particulars	For the year	
	2017-18	2016-17
Opening defined benefit obligation	2,873.61	2,322.24
Current Service cost	153.39	124.44
Interest Cost	208.62	184.62
Benefits paid	(324.64)	(397.73)
Actuarial losses/(gain)	57.49	640.04
Obligations at the end of the period	2,968.47	2,873.61

#### Change in Plan Assets

Opening fair value of plan assets	2873.61	2,322.24
Expected return on plan assets	208.62	184.62
Actuarial gain/(Losses)	2.05	47.86
Contributions by employer	167.42	716.63
Benefits paid	(324.64)	(397.73)
Closing fair value of plan assets	2,927.06	2,873.61

#### Amount recognized in Balance Sheet

Present value of funded obligations	2,968.47	2,873.61
Defecit	(41.65)	-
Net asset/(liability)	2,926.82	2,873.61

#### Expense recognised in statement of Profit and Loss Account

Current service cost	153.39	124.44
Interest Cost	208.83	184.62
Expected return on plan assets	(208.83)	(184.62)
Net Income/Expenses recognized in OCI	41.41	592.19
Amount included in Employee Benefit Expense (Employer's Contribution)	167.42	716.63



# Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

## Category of Plan Assets

Particulars	For the year (%)	
	2017-2018	2016-17
<b>Managed by:</b>		
LIC	54.82	54.90
PSU/State Govt. Securities	-	1.83
Aditya Birla Capital	1.80	-
ICICI Prudential Life Insurance	43.38	43.27

## Financial assumptions at the valuation date

Discounted rate	7.88	7.26
Estimated rate of return on Plan assets	7.88	7.26
Salary escalation over and above highest of salary in grade	1.00	1.00

## Note 46 DIVIDEND REMITTANCE TO FOREIGN INVESTORS (INR)

Particulars	For the year	
	2017-18	2016-17
Number of non-resident shareholders	313	195
Number of shares held by them on which dividend was paid	216,256	2,37,862
Amount remitted - net of tax (Rs. lakhs)	5.41	2.38

## Note 47 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 31.03.2018 and in respect of assets / liabilities as at 31.03.2018 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	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Segment Revenue</b>										
Gross Turnover	1,67,290.66	1,80,356.99	7,917.59	7,537.29	13.04	14.15			1,75,221.29	1,87,908.43
Less : Excise Duty	2,212.95	10,124.25	159.16	612.86	-	-			2,372.11	10,737.11
<b>Net Turnover</b>	<b>1,65,077.71</b>	<b>1,69,352.50</b>	<b>7,758.43</b>	<b>6,924.43</b>	<b>13.04</b>	<b>14.15</b>			<b>1,72,849.18</b>	<b>1,77,171.32</b>
<b>Segment result before Interest and Taxes</b>	25,348.17	22,206.58	1,100.39	674.46	(3.41)	(17.58)			26,445.15	22,863.47
Less : Interest Expenses							4,236.72	5,157.25	4,236.72	5,157.25
Add : Interest Income							47.19	81.63	47.19	81.63
<b>Profit before Tax</b>	25,348.17	22,206.58	1,100.39	674.46	(3.41)	(17.58)	(4,036.70)	(5,075.62)	22,255.62	17,787.84
Current Tax							4,550.72	3,654.24	4,550.72	3,654.24
MAT Credit							(4,550.72)	(3,654.24)	(4,550.72)	(3,654.24)
Deferred Tax							(66.99)	4,937.68	(66.99)	4,937.68
<b>Profit for the year</b>	<b>25,348.17</b>	<b>22,206.58</b>	<b>1,100.39</b>	<b>674.46</b>	<b>(3.41)</b>	<b>(17.58)</b>	<b>(3,969.71)</b>	<b>(10,013.30)</b>	<b>22,322.61</b>	<b>12,850.17</b>



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

Particulars	Paper		Cables		Others		Unallocable		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Other Informations</b>										
Segment Assets	1,48,233.93	1,48,835.24	5,403.27	4,197.68	51.38	54.54	-	-	1,53,688.58	1,53,087.46
Segment Liabilities	73,464.25	88,374.08	725.24	798.36	-	-	-	-	74,189.49	89,172.44
Capital Expenditure	15,254.68	2,842.49	33.62	175.26	-	-	-	-	15,288.30	3,017.75
Depreciation/Amortisation	11,512.11	10,971.03	107.18	96.63	3.16	9.21	-	-	11,622.45	11,076.87

**Note 48** 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 Rs.12022.98 lakhs (Current Year ₹ 4,550.72 – Previous year ₹ 7,852.53) has been recognized.

### Note 49 EVENT OCCURRING AFTER BALANCE SHEET DATE

#### Dividend proposed to be distributed

Particulars	As at	
	31.03.2018	31.03.2017
Dividend proposed for equity share holders @ ₹ 4/- per share (Previous Year ₹ 2.50/- per share)	2,641.96	1,651.22
Dividend Distribution Tax	537.84	336.15

**Note 50** 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 51 CHANGE IN INDIRECT TAXES

Consequent to the introduction of Goods and Service Tax Act (GST) w.e.f. 1st July 2017, Central Excise, Value Added Tax (VAT), etc have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise duties, levies like GST, VAT, etc are not part of Revenue. Accordingly, the figures for the periods upto 30th June, 2017 are not relatable to those thereafter.

### Note 52 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule III are as below :

Particulars	As at	
	31.03.2018	31.03.2017
Gross amount required to be spent by the Company during the year	202.27	76.19
Amount spent during the year (including previous carried forward of last year)	149.90	39.12
Promotion of Art & Culture	10.84	12.19
Promotion of Social Activities and Creation of Infrastructure	71.05	10.19
Health Care	5.03	1.56
Sports and Games	10.72	4.25
Others	52.26	10.93
	<b>149.90</b>	<b>39.12</b>





## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### Note 53 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below :

Particulars	As at	
	31.03.2018	31.03.2017
a. Principal amount remaining unpaid to suppliers at the end of the year	3.29	Nil
b. Interest due thereon remaining unpaid to suppliers at the end of the year	Nil	Nil
c. The amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day	Nil	Nil
d. The amount of interest due and payable	Nil	Nil
e. The amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
	<b>3.29</b>	<b>NIL</b>

### Note 54 INCOME TAX

#### a Amount recognised in Statement of Profit and Loss

Current Income Tax		
- Current Year	4,550.72	3,654.24
- MAT Credit Entitlement	(4,550.72)	(3,654.24)
- Reversal of MAT Credit Entitlement	-	-
<b>Total</b>		-
Deferred Tax	(66.99)	4,937.68
Income Tax Expense reported in the Statement of Profit or Loss	<b>(66.99)</b>	<b>4,937.68</b>

#### b Reconciliation of effective tax rate

<b>Profit before tax</b>	22,255.60	17,787.85
<b>At applicable Statutory Income Tax Rate @ 34.608%</b>	7,702.22	6,156.02
Effect of Various Disallowance of expense	437.09	591.66
Benefit of previously carried forward losses	-	(4,149.81)
Effect of Deduction under chapter VIA of IT Act	(3,702.32)	(2,597.87)
Effect of previously carried forward loss to increase deferred tax	-	4,149.81
Effect of reinstatement of DTL while Ind AS adoption	180.72	302.53
Effect of Ins AS Adjustments to reduce DTL	(113.90)	(1,138.96)
Effect of derocognising benefit of Long term Capital Loss	-	1,047.49
Effect of timing differences in DTL for taxes & Depreciation	65.14	649.31
Other Differences	(18.23)	(72.50)
<b>Tax Expense recognised in Profit &amp; Loss</b>	<b>4,550.72</b>	<b>4,937.68</b>
<b>Effective Tax Rate (Actual or MAT rate which ever is higher)</b>	<b>20.45%</b>	<b>27.76%</b>

### Note 55 INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (IND AS 110)

The company is listed on stock exchange in India, the Company has prepared consolidated financial as required under Ind AS110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### Note 56 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### Categories of Financial Instruments

##### Financial Assets

Sl. No.	Particulars	Note	As at			
			31.03.2018		31.03.2017	
			Carrying Value	Fair Value	Carrying Value	Fair Value
<b>1</b>	<b>Financial Assets Designated at Fair Value through Profit and Loss</b>					
i)	Derivatives - not designated as hedging instruments					
ii)	Investment in Equity Shares	7	65.04	65.04	47.35	47.35
<b>2</b>	<b>Financial Assets designated at Fair Value through Other Comprehensive Income</b>					
i)	Investment in Equity Shares		-	-	-	-
<b>3</b>	<b>Financial Assets designated at Amortised Cost</b>					
i)	Other Bank Balances	13	247.10	247.10	930.53	930.53
ii)	Cash and Cash Equivalents	12	727.35	727.35	1,397.34	1,397.34
iii)	Trade receivables	11	11,892.79	11,892.79	12,831.13	12,831.13
iv)	Other receivables	14	596.32	596.32	1604.85	1604.85
v)	Investment in Equity Shares	7	37.26	37.26	37.26	37.26
vi)	Others	7	0.10	0.10	0.10	0.10
<b>4</b>	<b>Investment in subsidiary company</b>	7	1.99	1.99	-	-

##### Financial Liabilities

Sl. No.	Particulars	Note	As at	
			31.03.2018	31.03.2017
<b>1</b>	<b>Financial Assets Designated at Fair Value through Profit and Loss</b>			
i)	Derivatives - not designated as hedging instruments		-	-
<b>2</b>	<b>Financial Liability designated at Amortised Cost</b>			
i)	Borrowings	18, 23	31,525.97	44,396.10
ii)	Trade payables	24	21,028.68	14,799.25
iii)	Other financial liability	19	6,782.07	8,621.62

The fair value of financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### Note 57 FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND DISCLOSURES

#### 1 Financial Risk

The company's operational activities expose to various financial risks i.e., market risk, credit risk and risk of liquidity. The company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

##### i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### a Foreign currency risk and sensitivity

The primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposure and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuation in foreign currency exchange rate(s).

Particulars	As at					
	31.03.2018 in terms of			31.03.2017 in terms of		
	Euro	USD	Total	Euro	USD	Total
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	-	-	-	-
Trade receivables	-	148.26	148.26	-	224.82	224.82
Other financial assets (including loans)	-	-	-	-	-	-
<b>Financial Liabilities</b>						
Trade payables	-	13,016.65	13,016.65	-	7,909.41	7,909.41
Borrowings	-	14,052.04	14,052.04	-	7,629.41	7,629.41
Interest Accrued but not due	-	126.05	126.05	-	49.22	49.22
<b>Net Assets / Liabilities</b>	-	27,343.00	27,343.00	-	15,812.86	15,812.86

The following significant exchange rates have been applied:

(Currency in ₹)

Particulars	As at	
	31.03.2018	31.03.2017
	USD	65.18
Euro	80.45	69.06

### Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upto conversion into functional currency, due to exchange rate fluctuation between the previous reporting period and the current reporting period.

0.25% increase and decrease in foreign exchanges rates will have the following impact on profit before tax (₹ in Lakhs)

Particulars	2017-18		2016-17	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD Sensitivity	68.31	(68.31)	25.75	(25.75)
Euro Sensitivity	-	-	-	-

Summary of Exchange difference accounted in Statement of Profit and Loss :

Particulars	Year ended	
	31.03.2018	31.03.2017
<b>Currency fluctuations</b>		
Net foreign exchange (gain)/ losses shown as operating expenses	-	-
Net foreign exchange (gain)/ losses shown as Finance Cost	152.18	-
Net foreign exchange (gain)/ losses shown as Other Income	-	(275.37)
<b>Derivatives</b>		
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	-	-
Net foreign exchange (gain)/ losses shown as Other Income	-	-
<b>Total</b>	<b>152.18</b>	<b>(275.37)</b>

### b. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Particulars	As at			
	31.03.2018		31.03.2017	
Fixed Rate borrowings	-	-	-	-
Variable Rate borrowings	17,516.27	100.00	26,287.85	100.00
<b>Total</b>	<b>17,516.27</b>	<b>100.00</b>	<b>26,287.85</b>	<b>100.00</b>

### Sensitivity on variable rate borrowings

Particulars	Impact on			
	Profit and Loss Account		Equity	
Interest rate increase by 0.25%	43.79	65.72	(43.79)	(65.72)
Interest rate decrease by 0.25%	(43.79)	(65.72)	43.79	65.72

#### ii Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances / deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 11,892.79 Lakhs and ₹ 12,831.13 Lakhs as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	Year ended	
	31.03.2018	31.03.2017
Revenue from top customer	6.41%	5.84%
Revenue from top five customers	26.40%	25.78%

#### a Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2018 was ₹ 397.75 Lakhs (₹ in Lakhs)

Balance at the beginning	102.62	-
Impairment loss reversed	30.43	-
Additional provision created during the year	325.56	102.62
Balance at end	397.75	102.62

#### b Aging analysis of Trade Receivables

Particulars	As at							
	31.03.2018				31.03.2017			
	Not due	Upto 6 months	6 - 12 months	Above 12 months	Not due	Upto 6 months	6 - 12 months	Above 12 months
Unsecured	8,765.60	2,466.89	378.75	281.55	11,653.70	382.22	79.04	716.17



# Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### iii Liquidity Risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31.03.2018

Particulars	Carrying amount	Less than 1 Year	1 - 5 Years	More than 5 Years	Total
Borrowings - Current	4,419.31	4,419.31	-	-	4,419.31
Borrowings - Non-current	27,106.67	6,699.04	19,786.58	621.05	27,106.67
Trade payables	20,196.06	20,196.06	-	-	20,196.06
Other financial liabilities - Non-current	-	-	-	-	-
Other financial liabilities - Current	4,247.98	4,247.98	-	-	4,247.98
Deferred Government Grant	4,347.34	621.05	2,484.19	1,242.10	4,347.34
Trade deposits	3,139.74	-	-	3,139.74	3,139.74
Interest accrued but not due on loans	126.05	126.05	-	-	126.05
Derivative financial instruments	-	-	-	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31.03.2017:

Borrowings - Current	8,364.90	8,364.90	-	-	8,364.90
Borrowings - Non-current	35,410.14	12,248.59	13,543.72	1,863.14	27,655.45
Trade payables	14,799.25	14,799.25	-	-	14,799.25
Other financial liabilities - current	3,436.89	3,436.89	-	-	3,436.89
Other financial liabilities - non-current	-	-	-	-	-
Deferred Government Grant	4,347.34	621.05	2,484.19	1,242.10	4,347.34
Trade deposits	3,160.47	-	-	3,160.47	3,160.47
Interest accrued but not due on loans	141.71	141.71	-	-	141.71
Derivative financial instruments	-	-	-	-	-

## 2 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

## 3 Capital risk management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

Particulars	As at	
	31.03.2018	31.03.2017
Borrowings	31,525.97	44,396.00
Less: Cash and Cash equivalents including bank balance	727.35	1,397.35
Less: Current investments	-	-
<b>Net Debt</b>	<b>32,253.32</b>	<b>45,793.35</b>
Equity	83,901.33	63,915.00
<b>Capital and Net Debt</b>	<b>1,16,154.65</b>	<b>1,09,708.35</b>
Gearing Ratio {Net debt / Capital and net debt}	27.77%	41.74%



## Notes on Standalone Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### Note 58 DERIVATIVE FINANCIAL INSTRUMENTS

- a The company has variable interest foreign currency borrowings, to offset the risk of variation in interest rates, the company has entered into, fix pay and variable receipt, interest rate swaps, these swap contracts are in US Dollar. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Particulars	As at			
	31.03.2018		31.03.2017	
	Loan FC in Mn	MTM in ₹ Lakhs	Loan FC in Mn	MTM in ₹ Lakhs
US Dollar	0.375	(35.92)	-	-
	<b>0.375</b>	<b>(35.92)</b>	-	-

- b Foreign currency exposure not hedged as at the Balance Sheet date

The foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Particulars	As at			
	31.03.2018		31.03.2017	
	Loan FC in Mn	MTM in ₹ Lakhs	Loan FC in Mn	MTM in ₹ Lakhs
US Dollar*	32.78	21,365.75	31.99	20,839.18
Euro	0.03	24.13	0.26	1.83
JPY	0.93	571.03	-	-
SEK	14.26	1,155.73	-	-
	<b>48.00</b>	<b>23,116.64</b>	<b>32.25</b>	<b>20,841.01</b>

\* Net of receivables - US Dollar 0.23 Million - ₹ 148.26 Lakhs (Previous Year USD 0.35 Mn - ₹ 224.82 Lakhs)

### Note 59 GOVERNMENT GRANT

Company had availed Interest Free Loan under Sales Tax Deferment Scheme from State Government of Karnataka which is repayable in 10 yearly instalments. Such sales tax deferment was recorded at historical cost till year ended March 2017. During the year, considering the recommendation given in Ind As Transition Facilitation Group ("ITGF") bulletin 12, Company had changed the policy to account for the same at Fair Value as required under Ind AS 20 – Government Grant. The difference in fair value and book value is accounted for as Government Grant to be apportioned over the balance deferral period. Impact of change in accounting policy is as under:

Particulars	₹ Lakhs
Impact for year 2015-16 and 2016-17 recorded in "Retained earning"	293.46
Revised Sales Tax Loan Balance under Borrowings	10,196.14
Recognition of Deferred Grant under Non-current Liability	4,968.39
Government Grant income recognised during the year 2017-18	621.05
Interest cost recorded under Finance Cost during the year 2017-18	722.48

### Note 60 Previous year's figures have been regrouped and reclassified wherever necessary

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

For and on behalf of the Board

**S. K. Bangur**

Chairman & Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director

**Shashi Bangur**

Lt. Gen. (Retd) **Utpal Bhattacharya**

**Amitav Kothari**

**Sudarshan Somani**

Directors

**Brajmohan Prasad**

Company Secretary

**Form AOC - I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiaries/ associate companies / joint ventures

**Part - "A" : Subsidiaries**

(₹ In Lakhs)

Sl. No.	Particulars	West Coast Opticables Limited
1	Financial Year ended on	31st March, 2018
2	Reporting Currency	Indian Rupees
3	Share Capital	2.00
4	Reserve & Surplus / (Accumulated Losses)	(0.85)
5	Total Assets	59.26
6	Total Liabilities	59.26
7	Investments	-
8	Total Turnover	0.00
9	Profit / (Loss) before tax	(0.85)
10	Provision for Income Tax	0.00
11	Profit / (Loss) after tax	(0.85)
12	Proposed Dividend	-
13	% of Shareholding	99.70%

**Part - "B" : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies

(₹ In Lakhs)

Sl. No.	Particulars	Speciality Coatings & Lamination Limited
1	Financial Year / period ended on	31st March, 2018
2	<b>Shares of Associate held by the company on the year end</b>	
	a. Number of Equity Shares	18,50,130
	b. Amount of investment in Associate *	0.00
	c. Extent of holding %	37.33%
3	Description of how there is significant influence	Based on shareholding
4	Reason why the associate is not considered for consolidation	-
5	Net worth attributable to Shareholding as per latest Un-audited Balance Sheet	(176.51)
6	<b>Loss for the year</b>	(14.93)
	i) Considered in consolidation	Nil
	ii) Not considered in consolidation	(14.93)

\* Investment value is Rs. 185.01 Lakhs which was fully impaired in earlier years.

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

For and on behalf of the Board

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director

**Shashi Bangur****Lt. Gen. (Retd) Utpal Bhattacharya****Amitav Kothari****Sudarshan Somani**

Directors

**Brajmohan Prasad**

Company Secretary



# Independent Auditors' Report

To the Members of  
**West Coast Paper Mills Limited**

## Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the Consolidated Ind AS Financial Statements of **West Coast Paper Mills Limited** ("hereinafter referred to as "the Company") and its Subsidiaries (the Company and its Subsidiaries together referred to as "the Group") and its Associate company, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated 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 Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor's in term of their report referred to in paragraph 1 of Other Matter Paragraph, other than the un audited financial statements as certified by the management and referred in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated





## Independent Auditors' Report (Contd.)

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, of the consolidated state of affairs of the Group and its associates as at March 31, 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and the statement of changes in equity for the year ended on that date.

### Other Matters

We did not audit the financial statements / financial information of subsidiary, whose financial statements /financial information reflect total assets of ₹ 59.26 lacs as at March 31, 2018, total revenue of ₹ "Nil" and net cash flow amounting to ₹ 33.73 lacs for the year then ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information of Subsidiary have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiary, is based solely on the report of other auditors.

The consolidated Ind AS financial statements does not include the Group's share of net loss of ₹ 5.57 lacs for the year ended March 31, 2018, in respect of an associate company as the same has been valued at ₹ Nil. The financial statements / information for associate are unaudited and the Company has shared with us the management accounts. Our opinion on the statement in so far as it related to amounts included in respect of this associate is based solely on such management certified financial statement. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

### Report on Other Legal and Regulatory Requirements.

As required by Section 143(3) of the Act, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Company, its subsidiaries included in the Group and Associate companies incorporated in India including relevant records for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act. We are unable to comment on compliance with respect to Associate Company as Audited Financial Statement with Audit Report was not available for our review.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Company none of the directors of the Group Companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. We are unable to comment on compliance with respect to Associate Company as Audited Financial Statement with Audit Report was not available for our review.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, its Subsidiary Companies and Associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group and its Associate companies— Refer Note No.39 to the consolidated financial statements.



## Independent Auditors' Report (Contd.)

- ii. Provision has been made in the consolidated financial Statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries, Associate companies incorporated in India during the year ended March 31, 2018.
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Singhi & Co.**  
*Chartered Accountants*  
Firm Registration Number: 302049E

**Nikhil Singhi**  
*Partner*  
Membership Number: 061567

Date: 21st May, 2018  
Place: Kolkata



## Annexure A

to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of West Coast Paper Mills Limited ("the Holding Company") and its subsidiary company which is companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its Subsidiary Companies, which are companies incorporated in India, are 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") issued by ICAI 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not



## Annexure A

to the Auditors' Report (Contd.)

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 Holding Company and its subsidiary company, which are companies incorporated in India, have, 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 March 31, 2018, 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 ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company so far as relates to the Subsidiary Company is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For **Singhi & Co.**  
*Chartered Accountants*  
Firm Registration Number: 302049E

**Nikhil Singhi**  
*Partner*  
Membership Number: 061567

Date: 21st May, 2018  
Place: Kolkata



# Consolidated Balance Sheet

as at 31st March 2018

(₹ in Lakhs)

	Note	As at 31st March, 2018
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	2	103,294.30
Capital work-in-progress	3	338.82
Investment properties	4	-
Intangible assets	5	208.63
Biological assets other than bearer plants	6	1,661.40
Financial Assets:		
i) Investments	7	100.41
ii) Loans	8	180.76
Other non-current assets	9	2,679.44
<b>Total non-current assets</b>		<b>108,463.76</b>
<b>Current Assets</b>		
Inventories	10	34,289.29
Biological assets other than bearer plants	6	137.64
Financial Assets :		
i) Trade receivables	11	11,892.79
ii) Cash and cash equivalents	12	751.84
iii) Other bank balances	13	256.35
iv) Loans	8	354.33
Other current assets	14	2,691.76
Assets classified as held for sale	15	186.89
<b>Total Current Assets</b>		<b>50,560.88</b>
<b>Total Assets</b>		<b>159,024.64</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	16	1,320.98
Non Controlling Interest		0.01
Other equity	17	82,573.14
<b>Total Equity</b>		<b>83,894.11</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities:		
i) Borrowings	18	21,028.68
ii) Other financial liabilities	19	7,487.08
Provisions	20	370.68
Deferred tax liabilities (net)	21	1,415.40
Other non-current liabilities	22	6,471.30
<b>Total Non-Current Liabilities</b>		<b>36,773.14</b>
<b>Current Liabilities</b>		
Financial Liabilities :		
i) Borrowings	23	4,419.31
ii) Trade payables	24	20,196.05
iii) Other financial liabilities	19	10,444.74
Provisions	20	1,045.05
Other current liabilities	25	2,252.24
<b>Total Current Liabilities</b>		<b>38,357.39</b>
<b>Total Equity and Liabilities</b>		<b>159,024.64</b>

The accompanying notes are an integral part of the consolidated financial statements  
As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

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

**Saurabh Bangur**  
Vice Chairman

**Rajendra Jain**  
Executive Director

**Shashi Bangur**  
Lt. Gen. (Retd) Utpal Bhattacharya  
**Amitav Kothari**  
**Sudarshan Somani**  
Directors  
**Brajmohan Prasad**  
Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in Lakhs)

	Note	Year ended 31st March, 2018
Revenue from Operations	26	173,199.62
Revenue from Trading Operations	27	192.41
Other Income	28	1,822.87
<b>Total Income</b>		<b>175,214.90</b>
<b>Expenses</b>		
Cost of materials consumed	29	90,265.15
Purchases of stock in trade	30	119.29
Excise duty on sale of goods	31	2,372.11
Changes in inventories of finished goods & work in progress	32	650.57
Employee benefits expense	33	12,326.10
Finance costs	34	4,236.72
Depreciation and amortization expense	35	11,622.45
Impairment of assets	36	-
Other expenses	37	31,374.12
<b>Total Expenses</b>		<b>152,966.51</b>
<b>Profit before exceptional items and tax</b>		<b>22,248.39</b>
Share of Profit / (Loss) of Associates (Refer note 55)		-
<b>Profit before tax</b>	38	<b>22,248.39</b>
Income Tax expense		
Current Tax		4,550.72
Mat Credit Entitlement		(4,550.72)
Deferred Tax		(66.99)
<b>Total tax expenses</b>		<b>(66.99)</b>
<b>Profit/ (loss ) for the period from continuing operations</b>		<b>22,315.38</b>
<b>Other Comprehensive Income</b>	17	
Items that may be classified to profit or loss		-
Items that will not be reclassified to profit or loss		
Remeasurement of employees benefit obligations		(70.49)
Income Tax relating to Items that will not be reclassified to Profit or Loss		15.04
<b>Other Comprehensive Income for the period (net of tax)</b>		<b>(55.45)</b>
<b>Total Comprehensive Income for the year</b>		<b>22,259.93</b>
<b>Earning Per Equity Share for profit from Continuing Operations</b>		
Basic Earning per share (in ₹)		33.79
Diluted Earning per share (In ₹)		33.79

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

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

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**Sudarshan Somani**  
Directors  
**Brajmohan Prasad**  
Company Secretary



# Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
<b>Profit before income tax</b>	22,248.39
Adjustments for	
Depreciation and amortisation	11,622.45
Loss / (Gain) on disposal of Property, plant and equipment	(261.23)
Loss / (Gain) on sale of investments	(1.80)
Dividend and interest income classified as investing cash flows	(47.20)
Rent receipt	(5.25)
Finance Costs	4,084.54
Government grant income	(621.05)
Provision for doubtful debts	325.56
Bad debts / assets written off	98.74
Net exchange differences	152.19
Fair Value adjustment in Investment	(17.68)
Liabilities & Provisions written back	(172.36)
<b>Total</b>	<b>15,156.91</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	548.79
(increase) / Decrease in inventories	(6,022.14)
Increase / (decrease) in trade liabilities	5,585.67
(increase) / Decrease in other financial assets	26.41
(increase) / Decrease in other non-current assets	655.75
(increase) / Decrease in other current assets	1,310.68
Increase / (Decrease) in provisions	(1,068.00)
Increase / (decrease) in other financial liabilities	(981.04)
Increase / (Decrease) in non-current liabilities	343.61
<b>Total</b>	<b>399.73</b>
<b>Cash generated from operations</b>	<b>37,805.03</b>
Less: Income Tax paid	5,182.04
<b>Net cash inflow from operating activities</b>	<b>32,622.99</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Payments for property, plant and equipment	(14,906.59)
Purchase of intangible assets	(7.47)
Decommissioning of Property, Plant and Equipments	
Proceeds from sale of investments	1.80
Proceeds from sale of property, plant and equipments	309.60
Rent Received	5.25
Interest received	47.20
Bank Deposits	684.43
<b>Net Cash Flow from investing activities</b>	<b>(13,865.78)</b>



## Cash Flow Statement (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	For the year ended
	31st March, 2018
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from Long Term Borrowings	9,335.69
Repayments of Long Term Borrowings	(18,710.64)
Proceeds / Repayment of Short Term Borrowings (Net)	(3,945.60)
Proceeds from issue of shares	0.01
Interest and Finance Charges	(4,084.54)
Loan to Subsidiary	-
Dividends paid to company's shareholders	(1,651.22)
Dividend Distribution Tax	(336.15)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(19,392.45)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(635.25)</b>
Net increase or decrease in cash and cash equivalents during the year	(635.25)
Cash and cash equivalents at the beginning of the financial year	1,387.09
Cash and cash equivalents at the end of the financial year	751.84

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

**S. K. Bangur**

Chairman &amp; Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director

**Shashi Bangur**

Lt. Gen. (Retd) Utpal Bhattacharya

**Amitav Kothari****Sudarshan Somani**

Directors

**Brajmohan Prasad**

Company Secretary





# Notes on Consolidated Financial Statements

for the year ended 31st March, 2018

## Note 1 Company Overview, Basis of Preparation and Significant Accounting Policies

### I. The Company Overview:

West Coast Paper Limited, a Public Limited Company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The registered office of the Company is situated at Bangur Nagar, Dandeli 581325 District Uttara Kannada, Karnataka. The Company was established in 1955. The Company has two business activities: Paper & Paper Board at Dandeli and Optical Fibre Cable at Mysore. The Company's Dandeli Plant is integrated Pulp & Paper Plant and produce various type of quality Paper & Paper Board. This caters to needs of innumerable industries in printing, writing, publishing, stationary, notebooks and packaging sectors in India. The Company strongly believes on Continuous Improvement in product quality, reduction in cost, and Environment Management. The Company is ISO 9001-2015, ISO 14001-2015 FSC (R) & OHSAS 18000-2007. The Company's Mysore Plant produces Optical Fibre Cable which cater requirement of telecom sector of India.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on May 21, 2018.

### II. Basis of Preparation of Financial Statements:

#### a) Basis of Preparation:

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiaries (collectively "the group") and its interest in associates. The Consolidated Financial Statements of the Company, 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.

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 Group has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

#### b) Principles of consolidation and equity accounting:

##### i. Subsidiaries:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its

power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

##### ii. Associates:

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### c) Functional and Presentation Currency:

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs unless otherwise stated.

#### d) Use of Estimates:

The preparation of the Financial Statements in conformity with the Ind AS requires Management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities, 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.

#### e) Classification of Assets and Liabilities as Current and Non-Current:

All Assets and Liabilities have been classified as



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### III. Significant Accounting Policies:

#### a) Property, Plant and Equipments (PPE):

PPE are stated at cost of acquisition (net of Cenvat & VAT / GST 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.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised.

#### Decommissioning Liability:

Cost of PPE also includes the estimate of the costs of dismantling and removing the item and restoring the land back on vacant conditions at the end of lease period. The Company has estimated such costs being the present value of future liability for decommissioning. Such costs are capitalized and a provision of the equivalent amount has been created. The provision is periodically increased by adding the interest cost at the IRR determined by the Company.

#### Disposal of Assets:

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the

Statement of Profit and Loss.

#### Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated depreciation & impairment loss, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### b) Depreciation & Amortization:

The Group depreciates PPE over their estimated useful lives as per the provisions of the Schedule II of the Companies Act, 2013. The estimated useful lives of PPE are as follows:

Sr. No.	Particulars	Useful Life	Method
1.	Plant and Machinery* - Paper machines	18	SLM
2.	Plant & Machinery* - Fibreline, Powerhouse, Soda recovery Plant, ETP Plant, Duplex Board Plant	18	WDV
3.	Roads & Drainage*	18	SLM
4.	OFC Plant & Machinery*	15	SLM
5.	JFTC Plant & Machinery*	18	WDV
6.	Coal Handling Plant*	10	SLM
7.	Factory Buildings	30	WDV
8.	Non Factory Buildings	60	WDV
9.	Office Equipments	5	WDV
10.	Computers & Computer Software	3	WDV
11.	Motor Vehicles	8	WDV
12.	Intangible Assets	3	SLM

\*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.

In respect of incremental cost arising on account of realized / notional 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 at least at the end of each financial year.

#### c) Investment Properties:

Investment properties held to earn rentals or



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

for capital appreciation or both are stated in the Balance Sheet at cost, less accumulated depreciation and subsequent impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss. Transfer to, or from, investment property is done at the carrying amount of the property.

### d) 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.

### e) Assets held for Sale:

The Group recognize Assets for Sale of those assets which are not in use and identified for sale / disposal. The same is valued at carrying amount net or realizable value whichever is lower.

### f) 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.

The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion costs necessary to make the sale.

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 Biological Assets which are immature are valued at cost.

### g) 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 (upto 30.06.2017). From 01.07.2017 the Turnover represents net of GST.

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.

Dividend income from investments purchased is recognised when the shareholder's right to receive payment has been established

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases

### h) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand, Cash at Bank and demand deposits with banks which are subject to an insignificant risk of change in value.

### 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/



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(asset) are recognized in other comprehensive income.

### k) Earnings Per Share(EPS):

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### l) 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.

### m) Financial Instruments:

#### Financial Assets :

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt

All Financial Assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

#### Trade Receivables:

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the

ordinary course of business. Trade receivables are recognised at transaction value and subsequently measured at transaction value less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Company Overview, Basis of preparation and Significant Accounting Policies Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

#### Financial assets at Fair Value through Profit and Loss (FVTPL):

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

#### Derecognition of Financial Assets:

The Group derecognises a financial asset on trade date only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### Financial Liability:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payment, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

### Derivative Financial Instruments:

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at

the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### Trade and Other Payables:

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### Other Financial Liabilities:

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### n) Borrowing Cost:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets up to 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



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

be adjusted in future.

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

### p) Provisions & Contingent Liabilities/ Assets:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flow to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

### q) Government Grants:

Incentive received from the Government under sales tax deferral scheme, which is interest free in nature is determined based on fair value. Fair value is determined on the present value technique based on cash flow payable under the scheme & the same is amortized over the remaining period of sales tax deferral loan.

### r) Leases:

The Company as lessor:

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease

#### The Company as lessee

Assets held under finance leases are initially

recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Variable increases in lease payments which are linked to an inflation price index are considered as contingent rentals and are recognised on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### s) Recent accounting pronouncements:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

#### Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant”

### t) **Significant accounting judgements, estimates and assumptions**

- The preparation of financial statements requires the use of accounting estimates which,

by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

- The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### **Critical estimates and judgements**

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable

- Estimated useful life of intangible asset

- Estimation of defined benefit obligation

- Recognition of revenue

- Recognition of deferred tax assets for carried forward tax losses

- Impairment of trade receivables and other financial assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

**Note 2 PROPERTY, PLANT AND EQUIPMENT**

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 2017</b>	<b>61.61</b>	<b>156.11</b>	<b>21,353.57</b>	<b>1,92,041.79</b>	<b>429.17</b>	<b>1,217.01</b>	<b>2,15,259.26</b>
1	Additions	-	5.93	626.61	14,379.07	55.70	95.49	15,162.80
2	Reclassified as held for sale	-	-	-	(507.54)	-	(1.88)	(509.42)
	Effect of foreign exchange (gain) / loss	-	-	-	(18.70)	-	-	(18.70)
3	Deletions	-	-	(258.67)	(292.25)	-	(45.13)	(596.05)
4	<b>Gross carrying value as at 31st Mar 2018</b>	<b>61.61</b>	<b>162.04</b>	<b>21,721.51</b>	<b>2,05,602.37</b>	<b>484.87</b>	<b>1,265.49</b>	<b>2,29,297.89</b>
	<b>Accumulated Depreciation as at 1st Apr 2017</b>	-	-	11,698.82	1,02,526.36	254.81	968.20	1,15,448.19
1	Eliminated on disposal of asset	-	-	(217.42)	(248.24)	-	(42.20)	(507.86)
2	Depreciation	-	-	862.45	10,558.89	20.65	90.15	11,532.14
3	Assets held for sale	-	-	-	(467.75)	-	(1.13)	(468.88)
4	Effect on foreign currency	-	-	-	-	-	-	-
	<b>Accumulated Depreciation as at 31st March 2018</b>	-	-	<b>12,343.85</b>	<b>1,12,369.26</b>	<b>275.46</b>	<b>1,015.02</b>	<b>1,26,003.59</b>
	<b>Net carrying value as at 31st March 2018</b>	<b>61.61</b>	<b>162.04</b>	<b>9,377.66</b>	<b>93,233.11</b>	<b>209.41</b>	<b>250.47</b>	<b>1,03,294.30</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) being the cost of ownership premises.
- 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 ₹ 18.70 Lakhs (Previous year ₹ 105.17 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 31.03.2018 is ₹ 1779.97 Lakhs. Other borrowing cost capitalised is ₹ 77.48 Lakhs (Previous Year : ₹ Nil)

		As at
		March 31, 2018
<b>Note 3</b>	<b>CAPITAL WORK-IN-PROGRESS</b>	
	Opening Balance	601.42
	Add: Additons during the year	14,705.06
		<b>15,306.48</b>
	Less: Capitalised during the year	14,967.66
	<b>Closing Balance</b>	<b>338.82</b>





## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		As at
		March 31, 2018
<b>Note 4</b>	<b>INVESTMENT PROPERTIES</b>	
	<b>Cost</b>	14.34
	Additions	-
	Deletion\Disposal	14.34
	<b>Closing gross carrying value</b>	-
	Accumulated depreciation	10.48
	Depreciation for the year	0.14
	Deletion\Disposal	(10.62)
	<b>Closing accumulated depreciation</b>	-
	<b>Net carrying value of investment properties</b>	-
	<b>Amount recognized in profit or loss from investment properties</b>	
	Rental income	5.25
	Profit on Sale of Investment Properties	280.28
	Direct operating expenses from property that generated rental income	(3.94)
	Direct operating expenses from property that did not generated rental income	-
	<b>Profit from investment properties before depreciation</b>	<b>9.19</b>
	Depreciation	0.14
	Profit from investment properties	9.05
	<b>Fair value of the investment properties</b>	-
<b>Note 5</b>	<b>INTANGIBLE ASSETS</b>	
	<b>Computer Software</b>	
	<b>Cost</b>	608.96
	Additions	7.47
	Deletions	-
	<b>Closing gross value</b>	<b>616.43</b>
	Accumulated amortization	317.63
	Amortization expense	90.17
	<b>Closing accumulated amortization</b>	<b>407.80</b>
	<b>Net carrying value of intangible assets</b>	<b>208.63</b>
<b>Note 6</b>	<b>BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS</b>	
	<b>Opening balance</b>	2,469.75
	Expenses during the year	187.21
	Consumption during the year	(857.92)
	<b>Closing balance</b>	<b>3,514.88</b>
	<b>Reconciliation</b>	
	<b>Non-current assets</b>	
	Immature crops	1,661.40
	<b>Total non-current assets</b>	<b>1,661.40</b>
	<b>Current assets</b>	
	Matured crops	137.64
	<b>Total current assets</b>	<b>137.64</b>
	<b>Total biological assets other than bearer plants</b>	<b>1,799.04</b>



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		<b>As at</b>	
		<b>March 31, 2018</b>	
<b>Note 7</b>	<b>INVESTMENTS</b>		
	<b>Non Current</b>		
	<b>Investment in Associates</b>		
	<b>Unquoted (at cost)</b>		
	18,50,130 Equity Shares (Previous Year ₹ 18,50,130) of ₹ 10 each of Speciality Coatings & Lamination Limited		-
	22,16,680 Equity Shares (Previous Year : 40,16,680) of ₹ 10 each Fort Gloster Industries Limited (associate upto 19th March 2018)		-
	<b>Total Investment in associates</b>		<b>(0.00)</b>
	<b>Others</b>		
	<b>Quoted (at fair value)</b>		
	5,42,399 Equity Shares (Previous Year : 5,42,399) of ₹ 10/- each of Jayashree Chemicals Ltd		65.03
	Less : Provision for Diminution in value of investments		-
			<b>65.03</b>
	Unquoted (at cost)		
	20,943 Equity Shares (Previous Year : 20,943) of ₹ 10/- each of Kilkotagiri and Thirumbadi Plantations Ltd.,		35.27
	37 Equity Shares ( Previous Year : 37) of ₹ 100 each of Placid Limited		0.01
	<b>Investments in Government securities</b>		
	6 Year National Savings Certificate		0.10
			<b>35.38</b>
	<b>Total Investment in others</b>		<b>100.41</b>
	<b>Total Investments</b>		<b>100.41</b>
	Aggregate cost of quoted investments	94.96	94.96
	Aggregate market value of quoted investments	65.03	65.90
	Aggregate amount of unquoted investments	35.27	35.27
	Aggregate provision for diminution in value of investment	29.93	47.62

		<b>As at</b>	
		<b>March 31, 2018</b>	
<b>Note 8</b>	<b>LOANS</b>		
	<b>Non-current</b>		
	a) Security deposit		
	Secured considered good		-
	Unsecured considered good		180.76
	Considered doubtful		-
	b) Loans to related parties		
	Secured considered good		-
	Unsecured considered good		-
	Considered doubtful		-
	<b>Total non-current loans</b>		<b>180.76</b>
	<b>Current</b>		
	a) Security deposit		
	Secured considered good		-
	Unsecured considered good		306.22
	Considered doubtful		-
	b) Other loans		
	Secured Considered Good		4.83



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		<b>As at</b>
		<b>March 31, 2018</b>
<b>Note 8</b>	<b>LOANS</b>	
	Unsecured, considered good	-
	Loans to employees	43.28
	Considered doubtful	-
	c) Loans to related parties (Subsidiary)	
	Secured Considered good	
	Unsecured Considered good	
	Considered doubtful	
	<b>Total current loans</b>	<b>354.33</b>
	<b>Total Loans</b>	<b>535.09</b>

There are no outstanding debts due from directors or key management persons of the company.

<b>Note 9</b>	<b>OTHER NON-CURRENT ASSETS</b>	
	Capital advances	1,209.23
	Deposit with customs	50.00
	Advance tax / Tax paid at source (net of provision)* (Refer Note No. 39(1)(b))	1,421.76
	<b>Total other non-current assets</b>	<b>2,680.99</b>

\* Provision for tax ₹ 4,549.17 Lakhs and Advance Tax ₹ 4,100.00 Lakhs is pertaining to current year

<b>Note 10</b>	<b>INVENTORIES</b>	
	Raw materials (at weighted average cost)	18,841.67
	Raw materials in transit	221.93
	Work in progress (at cost)	223.91
	Finished goods (at cost)	1,544.60
	Finished goods in transit	-
	Stores and spares (at weighted average cost)	13,157.34
	Loose tools (at cost)	242.34
	Stock at scrap (at realizable value)	57.49
	<b>Total inventories</b>	<b>34,289.28</b>

<b>Note 11</b>	<b>TRADE RECEIVABLES</b>	
	<b>Current</b>	
	Secured considered good	-
	Unsecured considered good	11,892.79
	Considered Doubtful	397.75
		<b>12,290.54</b>
	Less: Allowances for credit losses	397.75
	<b>Total trade receivables</b>	<b>11,892.79</b>

There are no outstanding receivables due from directors or key management persons of the company.

<b>Note 12</b>	<b>CASH AND CASH EQUIVALENTS</b>	
	<b>Balance with banks</b>	
	In Current account	741.06
	Cash on hand	10.78
	<b>Total Cash and Cash Equivalents</b>	<b>751.84</b>



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		As at
		March 31, 2018
<b>Note 13</b>	<b>OTHER BANK BALANCES</b>	
	In Unpaid Dividend Accounts	50.92
	In Margin Money deposits against guarantee	196.18
	In Deposit Accounts	9.25
	<b>Total</b>	<b>256.35</b>
<b>Note 14</b>	<b>OTHER CURRENT ASSETS</b>	
	Advances other than capital advance	
	a) Payment to vendors for supply of goods and services	1,655.42
	<b>Others</b>	
	a) Prepaid expenses	243.78
	b) Other Assets	194.30
	c) Balances with Government authorities	598.26
	<b>Total other current assets</b>	<b>2,691.76</b>
<b>Note 15</b>	<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>	
	Old Bleach Plant	-
	DG Set	127.83
	JFTC Plant	59.06
	<b>Total of Assets classified as held for sale</b>	<b>186.89</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. The fair value of above assets was determined using the market value approach.

		As at
		March 31, 2018
<b>Note 16</b>	<b>EQUITY SHARE CAPITAL</b>	
	<b>Authorized</b>	
	15,00,00,000 (Previous Year : 15,00,00,000) Equity Share ₹ 2/- each	3,000.00
	65,00,00,000 (Previous Year : 65,00,00,000) Cumulative Redeemable Non-convertible Preference Shares of ₹ 100 each	6,500.00
	<b>Total</b>	<b>9,500.00</b>
	<b>Issued, Subscribed and Paid-Up</b>	
	6,60,48,908 (Previous Year : 6,60,48,908) Equity Shares ₹ 2/- each fully paid up	1,320.98
	<b>Total Equity share capital</b>	<b>1,320.98</b>

**Rights, preference and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 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 Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

Movements in equity share capital	No. of Shares	₹ in Lakhs
<b>As at 1st April 2016</b>	<b>6,60,48,908</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>6,60,48,908</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 2018</b>	<b>6,60,48,908</b>	<b>1,320.98</b>

**Details of shareholders holding more than 5% shares**

Name of share holders	As at			
	March 31, 2018		March 31, 2017	
	No of shares	% of Holding	No of shares	% of Holding
Veer Enterprises Ltd.	1,05,38,054	15.95	1,05,97,100	16.04
Shree Satyanarayan Investments Co. Ltd.	1,03,12,973	15.61	1,03,12,973	15.61
Reliance Capital Trustee Co. Ltd. A/c Reliance Small cap fund	40,52,175	6.14	47,56,257	7.2

**Note 17 STATEMENT OF OF CHANGES IN OTHER EQUITY****A. EQUITY SHARE CAPITAL**

Particulars	Balance at the beginning of the reporting year		Changes in equity share capital during the year		Balance at the end of the reporting year	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
For the year ended 31st March 2017	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98
For the year ended 31st March 2018	6,60,48,908	1,320.98	-	-	6,60,48,908	1,320.98

**B. OTHER EQUITY**

Particulars	Reserves & Surplus					Other Comprehensive Income	Total
	Security Premium Account	Retained Earnings	Capital Redemption Reserve	Equity Share warrant forfeited	General Reserve		
<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	-	12,850.18	-	-	-	-	12,850.18
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>5,188.57</b>	<b>6,500.00</b>	<b>277.50</b>	<b>36,934.35</b>	<b>(878.92)</b>	<b>62,594.04</b>
<b>Opening as on 1st April 2017</b>	<b>14,572.54</b>	<b>5,188.57</b>	<b>6,500.00</b>	<b>277.50</b>	<b>36,934.35</b>	<b>(878.92)</b>	<b>62,594.04</b>
Profit for the year	-	22,315.38	-	-	-	-	22,315.38
Impact due to Fair Value adjustment of Government Grant	-	(293.47)	-	-	-	-	(293.47)
Remeasurement of net defined benefit liability/asset ( net of tax )	-	-	-	-	-	(55.45)	(55.45)
Dividends paid (including Dividend DistributionTax)	-	(1,987.37)	-	-	-	-	(1,987.37)
<b>Balance as on 31st March 2018</b>	<b>14,572.54</b>	<b>25,223.11</b>	<b>6,500.00</b>	<b>277.50</b>	<b>36,934.35</b>	<b>(934.37)</b>	<b>82,573.14</b>



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

The Board of Directors of the Company recommended a Dividend of ₹ 4/- per share (for the year ended 31st March 2017 dividend of ₹ 2.50/- per share) be paid on fully paid Equity Shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 26,41,95,632/- (for the year ended 31st March 2017 dividend ₹ 16,51,22,270/-). Dividend Distribution Tax on proposed dividend being ₹ 5,37,84,026/- (for the year ended 31st March 2017 ₹ 3,36,15,016/-).

- Security Premium Account** : This Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings** : This Reserve represents the cumulative profits of the Company and effects of measurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Capital Redemption Reserve** : This Reserve has been transferred to the Company in the course of business combinations and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Equity Share Warrant Forfeited**: This Reserve represents forfeiture of share warrant by failing to meet purchase requirements and can be utilised in accordance with the provisions of the Companies Act, 2013.
- General Reserve** : This Reserve created by an appropriation from one component of Equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2017.
- Other Comprehensive Income**: Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

		As at
		March 31, 2018
<b>Note 18</b>	<b>LONG TERM BORROWINGS</b>	
	<b>Non-current Borrowings</b>	
	<b>Secured at amortized cost</b>	
	a) Term Loans from banks	
	Axis Bank Ltd.	3,600.00
	Less: Unamortised value of transaction cost	20.38
	Subtotal A	<b>3,579.62</b>
	Standard Chartered Bank	-
	Less: Unamortised value of transaction cost	-
	Subtotal B	-
	Standard Chartered Bank-ECB LOAN	9,416.30
	Less: Unamortised value of transaction cost	(80.61)
	Subtotal C	<b>9,335.69</b>
	State Bank of Mysore (Plantation)	-
	Less: Unamortised value of transaction cost	-
	Subtotal D	-
	<b>ii) Term Loans from Financial Institutions:</b>	
	International Finance Corporation [IFC, Washington, DC]	4,600.95
	Subtotal E	<b>4,600.95</b>
	<b>Total term loans [A+B+C+D+E]</b>	<b>17,516.26</b>
	Less: Current maturities of Long Term Borrowings	5,472.26
	<b>Total Non-current Term Loans</b>	<b>12,044.00</b>



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		As at
		March 31, 2018
<b>Note 18</b>	<b>LONG TERM BORROWINGS</b>	
	<b>Unsecured at amortized cost</b>	
	<b>Other loans</b>	
	<b>i) From Others</b>	
	Interest Free Loan under Sales Tax Defferment Scheme from State Government of Karnataka	9,195.51
	Add: Fair value adjustment due to Ind AS adoption	394.90
	Less: Current maturity of Long Term Borrowings	605.73
	<b>Total other loans</b>	<b>8,984.68</b>
	<b>Total non-current borrowings</b>	<b>21,028.68</b>

**Nature of security**

- 1 Loan from Axis Bank Ltd., is secured by way of first charge on Plant and Machinery of Dandeli Plant on pari passu basis with IFC and Standard Chartered Bank.
- 2 ECB Loan from Standard Chartered Bank is secured by way first charge on Plant and Machinery of Dandeli Plant on pari passu with IFC and Axis Bank.
- 3 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.
- 4 Interest free loan under Sales Tax Deferral Scheme is being repaid in 12 yearly installments starting from June 2014.
- 5 There is no default in repayment of loans and interest.

**Terms of repayment of term loan and other loans****As at March 31, 2018**

Particulars	Amount Outstanding	Terms of Repayment
<b>Term Loans</b>		
IFC, Washington	1,533.66	Six monthly installments
Axis Bank	2,384.60	Monthly installments
Standard Chartered Bank - ECB Loan	8,125.74	Quarterly installments
Interest free - Sales tax Loan	8,984.68	Yearly payment
<b>Total term loan</b>	<b>21,028.68</b>	

**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	592.97	Monthly installments
Standard Chartered Bank	8,212.05	Monthly installments
Interest free - Sales tax Loan	8,573.80	Yearly payment
State Bank of Mysore ( Plantation )	1,783.14	Bullet repayment
<b>Total term loan</b>	<b>23,739.61</b>	



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	As at
	March 31, 2018
<b>Note 19 OTHER FINANCIAL LIABILITIES</b>	
<b>Non-current</b>	
Others-	
Dealer Deposits	3,131.06
Employee Security Deposits	8.68
Deferred Government Grant	4,347.34
<b>Total non-current other financial liabilities</b>	<b>7,487.08</b>
<b>Current</b>	
Current maturities of long term debts	6,077.99
Current maturities of Deferred Government Grant	621.05
Interest accrued but not due on borrowings	126.05
Unpaid dividend	50.92
Other financial liabilities	3,568.73
<b>Total current other financial liabilities</b>	<b>10,444.74</b>
<b>Total other financial liabilities</b>	<b>17,931.82</b>
<b>Note 20 PROVISIONS</b>	
<b>Non-current</b>	
Provision for Employee benefit	370.68
<b>Total non-current provisions</b>	<b>370.68</b>
<b>Current</b>	
Provision for Employee benefit	978.11
<b>Other provisions</b>	
Liability for expenses	66.94
<b>Total current provisions</b>	<b>1,045.05</b>
<b>Note 21 DEFERRED TAX LIABILITIES</b>	
Deferred tax liabilities on account of WDV of fixed assets	15,496.37
	<b>15,496.37</b>
<b>Deferred tax assets on account of:</b>	
Disallowances under section 43B of Income Tax Act	447.84
Adjustments to Ind AS	1,252.86
Tax Holiday period	357.29
	2,057.99
<b>Total deferred tax liabilities</b>	<b>13,438.38</b>
Less: MAT Credit Entitlement	(12,022.98)
<b>Total Deferred Tax Liabilities net of MAT Credit</b>	<b>1,415.40</b>
<b>Note 22 OTHER NON-CURRENT LIABILITIES</b>	
Decommissioning & Dismantling liability	6,471.30
<b>Total other non-current liabilities</b>	<b>6,471.30</b>
<b>Reconciliations</b>	
Opening Balance	6,127.69
Unwinding of discounts and effect of change in discount rate	343.61
Reduction arising from payments	-
<b>Closing balance</b>	<b>6,471.30</b>





# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

	<b>As at</b>
	<b>March 31, 2018</b>
<b>Note 23 CURRENT BORROWINGS</b>	
<b>Current</b>	
<b>Secured</b>	
Loan repayable on demand from banks*	4,419.31
<b>Unsecured</b>	
Loan repayable on demand from banks	-
<b>Total current borrowings</b>	<b>4,419.31</b>
* The short term loans 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 24 TRADE PAYABLES</b>	
<b>Trade Payables</b>	
Others	20,192.76
MSME	3.29
<b>Total trade payables</b>	<b>20,196.05</b>
<b>Note 25 OTHER CURRENT LIABILITIES</b>	
Statutory liabilities	523.47
Liabilities for expenses	26.57
Other liabilities	1,702.20
<b>Total Other current Liabilities</b>	<b>2,252.24</b>
<b>Note 26 REVENUE FROM OPERATIONS</b>	
<b>Sales of Products (including excise duty)</b>	
Paper and Board	164,619.98
Cables	7,588.74
Wind Power	13.04
<b>Other Operating Revenues</b>	
Export Promotion Incentive	127.58
Scrap Sales	850.28
<b>Total revenue from operations</b>	<b>173,199.62</b>
<b>Note 27 REVENUE FROM TRADING OPERATIONS</b>	
Revenue from Trading Operations	192.41
<b>Total Revenue from Trading Operations</b>	<b>192.41</b>
<b>Note 28 OTHER INCOME</b>	
<b>Interest Income</b>	
From Banks	35.28
From Others	11.91
<b>Other Non - Operating Income</b>	
Profit on sale of Property, Plant & Equipment / Investment Property	283.22
Rent received	74.80
Income from government grant	621.05
Profit on sale of Investment	1.80
Liabilities and provisions written back	172.37
Sundry Balances written back	496.46
Others	125.98
<b>Total other income</b>	<b>1,822.87</b>



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		As at
		March 31, 2018
<b>Note 29</b>	<b>COST OF MATERIALS CONSUMED</b>	
	Pulp Wood, Pulp & Waste Paper	64,631.74
	Chemicals & Dyes	20,787.24
	Packing Materials	4,846.17
	<b>Total cost of materials consumed</b>	<b>90,265.15</b>

<b>Note 30</b>	<b>PURCHASES OF STOCK IN TRADE</b>	
	Purchase of Trading Goods	119.29
	<b>Total purchases of stock in trade</b>	<b>119.29</b>

<b>Note 31</b>	<b>EXCISE DUTY ON SALE OF GOODS</b>	
	Excise duty on sale of goods (Refer Note No. 51)	2,372.11
	<b>Total excise duty on sale of goods</b>	<b>2,372.11</b>

		As at	
		March 31, 2018	
<b>Note 32</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
	<b>Opening Stock of Finished Goods</b>		
	- Paper and Board	1,865.74	
	- O. F. C. Cables, etc.	198.62	2,064.36
	<b>Closing Stock of Finished Goods</b>		
	- Paper and Board	1,389.24	
	- O. F. C. Cables, etc.	155.36	1,544.60
			519.76
	<b>Opening Stock of Work-in-progress</b>	470.73	
	<b>Closing Stock of Work-in-progress</b>	223.92	246.82
			246.82
	Variation in Excise Duty on Opening and Closing Stock of Finished Goods		(115.99)
	<b>Total change in inventory of Finished goods &amp; WIP</b>		<b>650.57</b>

		As at
		31.03.2018
<b>Note 33</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>	
	Salaries, Wages and Bonus	10,330.93
	Provident & Family Pension Funds	750.02
	Employees State Insurance	111.30
	Gratuity Fund	153.39
	Superannuation Fund	37.48
	Employees Group Insurance	20.47
	Leave Encashment	98.22
	Staff Welfare Expense	824.29
	<b>Total employee benefit expenses</b>	<b>12,326.10</b>



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		As at	
		March 31, 2018	
<b>Note 34</b>	<b>FINANCE COSTS</b>		
	Interest Expense:		
	Term Loans		1,521.37
	Others		1,316.37
	Interest cost on Sales Tax Loan		722.48
	Other Borrowing Costs		524.32
	Applicable Net Loss ( Gain ) on Foreign Currency Transactions & Translation		152.18
	<b>Total Finance Costs</b>		<b>4,236.72</b>
<b>Note 35</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
	Depreciation on Property, Plant and Equipment		11,532.14
	Depreciation on Investment Properties		0.14
	Amortisation of Intangible Assets		90.17
	<b>Total Depreciation and Amortisation</b>		<b>11,622.45</b>
<b>Note 36</b>	<b>IMPAIRMENT OF ASSETS</b>		
	Impairment loss on Non-Current Asset classified as held for sale		-
	<b>Total impairment of assets</b>		-
		As at	
		March 31, 2018	
<b>Note 37</b>	<b>OTHER EXPENSES</b>		
	Consumption of Stores & Spare Parts		5,587.27
	Power, coal and water		16,852.54
	Rent		221.41
	Repair and maintenance of Buildings		1,254.69
	Repair and maintenance of Plant and Machinery		1,801.68
	Repair and maintenance of Other Assets		340.55
	Insurance		204.24
	Rates & Taxes		88.57
	Research & Development Expenses		55.00
	Miscellaneous Expenses		1,409.49
	<b>Payment to Auditors</b>		
	As Auditors	15.00	
	For limited review under listing agreement	2.00	
	For Taxation Matters	5.00	
	For Other Services	0.18	
	Reimbursement of Expenses	4.82	27.00
	Cost Auditors' Remuneration & Expenses		1.35
	Forwarding Charges on Sales		946.39
	Commission on Sales		1,022.01
	Provision for Bad Debts irrecoverable advance W/off		325.56
	Commission to Director		954.61
	<b>Directors' Fees &amp; Expenses</b>		
	Sitting Fees	3.90	
	Travelling Expenses	14.60	18.50



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

(₹ in Lakhs)

		As at
		March 31, 2018
<b>Note 37</b>	<b>OTHER EXPENSES</b>	
	Charity & Donations	34.02
	Corporate Social Responsibility Expenses	112.83
	Swatch Bharath Cess	54.60
	ITC Non Recoverable	-
	Obsolete Assets Written Off	39.82
	Loss on Sale of Property, Plant & Equipment	21.99
	<b>Total other expenses</b>	<b>31,374.12</b>

		As at
		March 31, 2018
<b>Note 38</b>	<b>INCOME TAX EXPENSE</b>	
	<b>Current Tax Expense</b>	
	Current Tax on profits for the year	4,549.17
	MAT Credit Entitlement for the year	(4,549.17)
	<b>Total Current Tax Expense</b>	-
	<b>Deferred Tax</b>	
	<b>Decrease / (Increase) in deferred tax assets</b>	
	Property, Plant and Equipments	(232.35)
	<b>(Decrease) / Increase in deferred tax liabilities</b>	
	Disallowance under section 43B	(18.23)
	ASI - 3 tax holiday claim	297.49
	Carry Forward Losses	-
	Adjustments to Ind AS	(113.90)
	Long term Capital Loss	-
	<b>Total Deferred Tax Expense / (benefit)</b>	<b>(66.99)</b>
	<b>Total income tax expense</b>	<b>(66.99)</b>

		As at
		31.03.2018
<b>Note 39</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	
	<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 Note I below) (paid under protest ₹ 2284 Lakhs)	0.00
	b. Excise matters & Service Tax under dispute (paid under protest ₹ 66.39 Lakhs)	66.39
	c. Custom matter under dispute (paid under protest ₹ 71.48 Lakhs)	540.27
	d. Sales Tax matter under dispute	30.66
	e. Forest Development Fee	34.16
	f. Other matters under dispute	3,132.36



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

		As at
		31.03.2018
<b>Note 39</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	
<b>Particulars</b>		
II. Other money for which the company is contingently liable :		
a. Guarantees Issued by Banks		3,582.25
b. Letters of Credit outstanding		9,449.82
c. ICICI Bank Ltd (refer note II below)		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)		7,944.55

**Notes :****I Income Tax**

- a. The Income Tax assessments of the Company have been completed up to AY 2014-15.
- b. In the books of Accounts, the company is accounting Income tax refunds after adjustment of tax demands by IT authorities, if any. The matters are pending before High Court and ITAT for various issues. Based on legal opinion the Company is contesting those tax demands/ disallowances at appropriate level. The company has therefore not recorded adjustment of taxes/order in books.
- c. MATERIAL DEMANDS AND DISPUTES CONSIDERED AS "REMOTE" BY THE COMPANY:  
The Company is entitled for benefit under Section 80 IA of the Income Tax Act 1961 for Power and Steam generation. Company has availed benefit of deduction under this section in various returns for the year 1999-00 to 2013-14. The assessing officer has dis-allowed the benefit of deductions. Company had preferred appeals with Commissioner Appeals and / or ITAT. The ITAT has set aside the order of the Assessing officer. Department has preferred appeal against the order of ITAT. As advised by legal advisors, Company has a strong case / merit for claiming the deduction and thus expects a favourable outcome.
- d. The total demand outstanding as on 31.03.2018 on account of income tax dues is ₹ NIL (₹ 19.74 lakhs ), net of tax paid/adjusted under protest ₹ 2,284 lakhs.

**II Loan Purchase Agreement**

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). Accordingly a Loan Purchase Agreement was executed for Rs. 40 Crores between 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 Company.

**Note 40 LEASE**

Total amount of minimum future lease payments are as follows :

Sl. No. Particulars	As at
	31.03.2018
a) Not later than one year	30.59
b) One to five year	146.36
c) More than Five year	271.59
<b>Total</b>	<b>448.54</b>

**Note :** Lease of 289.68 acres (116.11 Hectare) has been renewed for a further period of 30 years upto 28.06.2046. The Deputy Conservator of Forests Haliyal Division is in the process of concluding the execution of Lease Agreement. The Annual Lease rent has been fixed at ₹ 5,000/- per Hectare.



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### Note 41 EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33

Particulars	As at
	31.03.2018
<b>Earnings</b>	
Profit for the year	22,315.38
<b>Shares</b>	
Number of shares at the beginning of the period	66,048,908
Add : Shares issued during the period	–
Total number of equity shares outstanding at the end of the period	66,048,908
Weighted average number of equity shares outstanding during the period	66,048,908
Earnings per share of par value ₹ 2 - Basic (₹)	33.79
Diluted (₹)	33.79

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

#### I. Relationship :

##### a. Associate Company

- 1) Speciality Coatings and Laminations Ltd
- 2) Fort Gloster ( Upto 19.03.2018)

##### b. Subsidiary Company

- 1) West Coast Opticables Limited

##### c. 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

##### d. Key Management Personnel

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

##### e. Relative of Key Management Personnel

- 1) Shri Virendra Bangur

##### f. Company in which Director is common

- 1) Gloster Cables Ltd

##### g. 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 Taparia
- 7) Shri Amitav Kothari
- 8) Shri Sudharshan Somani (w.e.f. 10.11.2017)



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

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

Particulars	As at
	31.03.2018
i. Rent paid to :	
1) Veer Enterprises Ltd.	56.52
2) Shree Satyanarayan Investment Company Ltd.	44.80
3) Siddhi Trade & Holdings Pvt. Ltd.	14.76
4) West Coast Pape Mills Ltd.	6.39
ii. Charity & Donations :	
1) Rangnath Bangur Charitable Trust	30.00
2) Shree Rama Trust	4.00
iii. Compensation to Key Management Personnel :	
Salary & other Employee benefit to directors and Executive Officers	1,288.60
iv. Remuneration to Shri Virendraa Bangur	28.00
v. Purchases from Gloster Cables Ltd.	288.55

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

i. Due from related Parties	
1) Veer Enterprises Ltd.	5.55
2) Shree Satyanarayan Investment Company Ltd.	6.60

**Note 43 EARNINGS IN FOREIGN CURRENCY**

Export on FOB/CIF/CFR basis	2,013.65
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**Note 44 EXPENDITURE IN FOREIGN CURRENCY**

Travelling	12.12
Interest	492.38
Others	165.90
<b>Total</b>	<b>670.41</b>

**Note 45 EMPLOYEE BENEFIT PLANS**

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

**[A] Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under :

Particulars	For the year
	2017-2018
Employer's Contribution to Provident Fund/Pension Fund	750.34
Employer's Contribution to Superannuation Fund	37.48

**[B] Defined Benefit Plan**

The following table sets out the status of the Gratuity Plan as required under IND AS-19 :

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

Opening defined benefit obligation	2,873.61
Current Service cost	153.39
Interest Cost	208.62
Benefits paid	(324.64)
Actuarial losses/(gain)	57.49
Obligations at the end of the period	2,968.47



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

**Change in Plan Assets**

Particulars	For the year
	2017-2018
Opening fair value of plan assets	2,873.61
Expected return on plan assets	208.62
Actuarial gain/(Losses)	2.05
Contributions by employer	167.42
Benefits paid	(324.64)
Closing fair value of plan assets	2,927.06

**Amount recognized in Balance Sheet**

Present value of funded obligations	2,968.47
Defecit	(41.65)
Net asset/(liability)	2,926.82

**Expense recognised in statement of Profit and Loss Account**

Current service cost	153.39
Interest Cost	208.83
Expected return on plan assets	(208.83)
Net Income/Expenses recognized in OCI	41.41
Amount included in Employee Benefit Expense (Employer's Contribution)	167.42

**Category of Plan Assets**

Managed by	
LIC	54.82
PSU/State Govt. Securities	-
Aditya Birla Capital	1.80
ICICI Prudential Life Insurance	43.38

**Financial assumptions at the valuation date**

Particulars	For the year
	2017-2018 (%)
Discounted rate	7.88
Estimated rate of return on Plan assets	7.88
Salary escalation over and above highest of salary in grade	1.00

**Note 46 DIVIDEND REMITTANCE TO FOREIGN INVESTORS (INR)**

Particulars	For the year
	2017-18
Number of non-resident shareholders	313
Number of shares held by them on which dividend was paid	2,16,256
Amount remitted - net of tax (₹ lakhs)	5.41

**Note 47 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 31.03.2018 and in respect of assets / liabilities as at 31.03.2018 is disclosed as under :

- a) 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”





# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

- b) 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
	2017-18	2017-18	2017-18	2017-18	2017-18
<b>Segment Revenue</b>					
Gross Turnover	1,67,284.27	7,917.59	13.04		1,75,214.90
Less : Excise Duty	2,212.95	159.16	–		2,372.11
<b>Net Turnover</b>	<b>1,65,071.32</b>	<b>7,758.43</b>	<b>13.04</b>		<b>1,72,842.79</b>
<b>Segment result before Interest and Taxes</b>	25,340.94	1,100.39	(3.41)		26,437.92
Less : Interest Expenses				4,236.72	4,236.72
Add : Interest Income				47.19	47.19
<b>Profit before Tax</b>	25,340.94	1,100.39	(3.41)	(4,036.70)	22,248.39
Current Tax				4,550.72	4,550.72
MAT Credit				(4,550.72)	(4,550.72)
Deferred Tax				(66.99)	(66.99)
<b>Profit for the year</b>	<b>25,340.94</b>	<b>1,100.39</b>	<b>(3.41)</b>	<b>(3,969.71)</b>	<b>22,315.38</b>
<b>Other Informations</b>					
Segment Assets	1,48,233.93	5,403.27	51.38	–	1,53,688.58
Segment Liabilities	73,464.25	725.24	–	–	74,189.49
Capital Expenditure	15,254.68	33.62	–	–	15,288.30
Depreciation/Amortisation	11,512.11	107.18	3.16	–	11,622.45

**Note 48** 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 ₹ 12,022.98 lakhs (Current Year ₹ 4,550.72 – Previous year ₹ 7,852.53) has been recognized.

**Note 49** EVENT OCCURRING AFTER BALANCE SHEET DATE**Dividend proposed to be distributed**

Particulars	As at
	31.03.2018
Dividend proposed for equity share holders @ ₹ 4/- per share (Previous Year ₹ 2.50/- per share)	2,641.96
Dividend Distribution Tax	537.84

**Note 50** 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 51** CHANGE IN INDIRECT TAXES

Consequent to the introduction of Goods and Service Tax Act (GST) w.e.f. 1st July 2017, Central Excise, Value Added Tax (VAT), etc have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise duties, levies like GST, VAT, etc are not part of Revenue. Accordingly, the figures for the periods upto 30th June, 2017 are not relatable to those thereafter.

**Note 52** EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule III are as below:



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

Particulars	As at
	31.03.2018
Gross amount required to be spent by the Company during the year	202.27
Amount spent during the year (including previous carried forward of last year)	149.90
Promotion of Art & Culture	10.84
Promotion of Social Activities and Creation of Infrastructure	71.05
Health Care	5.03
Sports and Games	10.72
Others	52.26
	<b>149.90</b>

### Note 53 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	As at
	31.03.2018
a. Principal amount remaining unpaid to suppliers at the end of the year	3.29
b. Interest due thereon remaining unpaid to suppliers at the end of the year	Nil
c. The amount of interest paid along with the amounts of the payment made	Nil
d. The amount of interest due and payable	Nil
e. The amount of interest accrued and remaining unpaid at the end of accounting year	Nil
	<b>3.29</b>

### Note 54 INCOME TAX

#### a Amount recognised in Statement of Profit and Loss

Particulars	As at
	31.03.2018
Current Income Tax	
- Current Year	4,550.72
- MAT Credit Entitlement	(4,550.72)
- Reversal of MAT Credit Entitlement	-
<b>Total</b>	
Deferred Tax	(66.99)
Income Tax Expense reported in the Statement of Profit or Loss	<b>(66.99)</b>

#### b Reconciliation of effective tax rate

<b>Profit before tax</b>	22,255.60
<b>At applicable Statutory Income Tax Rate @ 34.608%</b>	7,702.22
Effect of Various Disallowance of expense	437.09
Benefit of previously carried forward losses	-
Effect of Deduction under chapter VIA of IT Act	(3,702.32)
Effect of previously carried forward loss to increase deferred tax	-
Effect of reinstatement of DTL while Ind AS adoption	180.72
Effect of Ins AS Adjustments to reduce DTL	(113.90)
Effect of derognising benefit of Long term Capital Loss	-
Effect of timing differences in DTL for taxes & Depreciation	65.14
Other Differences	(18.23)
<b>Tax Expense recognised in Profit &amp; Loss</b>	<b>4,550.72</b>
<b>Effective Tax Rate (Actual or MAT rate which ever is higher)</b>	<b>20.45%</b>



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

**Note 55 INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (IND AS 110)**

The Company has prepared consolidated financial as required under Ind AS110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.

- The company has wholly owned subsidiary company during the year for the first time. Hence Consolidated Financial Statements has been prepared in accordance with IND AS 110 & Ind AS 28. As there was no subsidiary company in the previous year, hence previous year figures has not been presented in the Consolidated Financial Statements.
- At the end of the year the Company has one Associate Company as defined in Section 2(6) of Companies Act 2013. The Investment in Associate Company has been fully impaired in earlier years, in accordance with Para 38 & 39 of Ind AS 28, the company has not recognised additional loss over the investment during the year.

**Note 56 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****Categories of Financial Instruments****Financial Assets**

Sl. No	Particulars	Note	As at	
			31.03.2018	
			Carrying Value	Fair Value
1	<b>Financial Assets Designated at Fair Value through Profit and Loss</b>			
i)	Derivatives - not designated as hedging instruments			
ii)	Investment in Equity Shares	7	65.04	65.04
2	<b>Financial Assets designated at Fair Value through Other Comprehensive Income</b>			
i)	Investment in Equity Shares		-	-
3	<b>Financial Assets designated at Amortised Cost</b>			
i)	Other Bank Balances	13	280.84	280.84
ii)	Cash and Cash Equivalents	12	727.35	727.35
iii)	Trade receivables	11	11,892.79	11,892.79
iv)	Other receivables	14	598.88	598.88
v)	Investment in Equity Shares	7	37.26	37.26
vi)	Others	7	0.10	0.10
4	Investment in subsidiary company	7	1.99	1.99

**Financial Liabilities**

Sl. No.	Particulars	Note	As at	
			31.03.2018	
1	<b>Financial Assets Designated at Fair Value through Profit and Loss</b>			
i)	Derivatives - not designated as hedging instruments			-
2	<b>Financial Liability designated at Amortised Cost</b>			
i)	Borrowings	18, 23		31,525.97
ii)	Trade payables	24		21,028.68
iii)	Other financial liability	19		6,790.19

The fair value of financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

**Note 57 FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND DISCLOSURES****1 Financial Risk**

The company's operational activities expose to various financial risks i.e., market risk, credit risk and risk of liquidity. The company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

**i Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

**a Foreign currency risk and sensitivity**

The primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposure and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuation in foreign currency exchange rate(s).

Particulars	As at		
	31.03.2018 in terms of		
	Euro	USD	Total
<b>Financial Assets</b>			
Cash and cash equivalents	-	-	-
Trade receivables	-	148.26	148.26
Other financial assets (including loans)	-	-	-
<b>Financial Liabilities</b>			
Trade payables	-	13,016.65	13,016.65
Borrowings	-	14,052.04	14,052.04
Interest Accrued but not due	-	126.05	126.05
<b>Net Assets / Liabilities</b>	-	27,343.00	27,343.00

The following significant exchange rates have been applied:

(Currency in ₹)

Particulars	As at
	31.03.2018
USD	65.18
Euro	80.45

**Foreign currency sensitivity**

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upto conversion into functional currency, due to exchange rate fluctuation between the previous reporting period and the current reporting period.

0.25% increase and decrease in foreign exchanges rates will have the following impact on profit before tax (₹ in Lakhs)

Particulars	2017-18	
	0.25% increase	0.25% decrease
USD Sensitivity	68.31	(68.31)
Euro Sensitivity	-	-



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

### Summary of Exchange difference accounted in Statement of Profit and Loss :

Particulars	Year ended	
	31.03.2018	
<b>Currency fluctuations</b>		
Net foreign exchange (gain)/ losses shown as operating expenses		-
Net foreign exchange (gain)/ losses shown as Finance Cost		152.18
Net foreign exchange (gain)/ losses shown as Other Income		-
<b>Derivatives</b>		
Currency forwards (gain) / losses shown as operating expenses		-
Interest rate swaps (gain) / losses shown as finance cost		-
Net foreign exchange (gain)/ losses shown as Other Income		-
<b>Total</b>		<b>152.18</b>

#### b. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

#### Interest rate risk exposure

Particulars	As at	
	31.03.2018	
Fixed Rate borrowings	-	-
Variable Rate borrowings	17,516.27	100.00
<b>Total</b>	<b>17,516.27</b>	<b>100.00</b>

#### Sensitivity on variable rate borrowings

Particulars	Impact on Profit and Loss Account 31.03.2018	
Interest rate increase by 0.25%		43.79
Interest rate decrease by 0.25%		(43.79)

#### ii Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances / deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 11,892.79 Lakhs and ₹ 12,831.13 Lakhs as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	Year ended	
	31.03.2018	
Revenue from top customer		6.41%
Revenue from top five customers		26.40%



## Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

- a Credit risk exposure :** The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2018 was ₹ 397.75 Lakhs

Particulars	Year ended
	31.03.2018
Balance at the beginning	102.62
Impairment loss reversed	30.43
Additional provision created during the year	325.56
Balance at end	397.75

**b Aging analysis of Trade Receivables**

Particulars	As at			
	31.03.2018			
	Not due	Upto 6 months	6 - 12 months	Above 12 months
Unsecured	8,765.60	2,466.89	378.75	281.55

**iii Liquidity Risk**

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31.03.2018

Particulars	Carrying amount	Less than 1 Year	1 - 5 Years	More than 5 Years	Total
Borrowings - Current	4,419.31	4,419.31	-	-	4,419.31
Borrowings - Non-current	27,106.67	6,699.04	19,786.58	621.05	27,106.67
Trade payables	20,196.06	20,196.06	-	-	20,196.06
Other financial liabilities - Non-current	-	-	-	-	-
Other financial liabilities - Current	4,247.98	4,247.98	-	-	4,247.98
Deferred Government Grant	4,347.34	621.05	2,484.19	1,242.10	4,347.34
Trade deposits	3,139.74	-	-	3,139.74	3,139.74
Interest accrued but not due on loans	126.05	126.05	-	-	126.05
Derivative financial instruments	-	-	-	-	-

**2 Competition and price risk**

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

**3 Capital risk management**

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

Particulars	As at
	31.03.2018
Borrowings	31,525.97
Less: Cash and Cash equivalents including bank balance	727.35
Less: Current investments	-
<b>Net Debt</b>	32,253.32
Equity	83,901.33
<b>Capital and Net Debt</b>	1,16,154.65
Gearing Ratio {Net debt / Capital and net debt}	27.77%



# Notes on Consolidated Financial Statements (Contd.)

for the year ended 31st March, 2018

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

**Note 58 DERIVATIVE FINANCIAL INSTRUMENTS**

- a The company has variable interest foreign currency borrowings, to offset the risk of variation in interest rates, the company has entered into, fix pay and variable receipt, interest rate swaps, these swap contracts are in US Dollar. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Particulars	As at	
	31.03.2018	
	Loan FC in Mn	MTM in ₹ Lakhs
US Dollar	0.375	(35.92)
	0.375	(35.92)

- b **Foreign currency exposure not hedged as at the Balance Sheet date**

The foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Particulars	As at	
	31.03.2018	
	Loan FC in Mn	MTM in ₹ Lakhs
US Dollar*	32.78	21,365.75
Euro	0.03	24.13
JPY	0.93	571.03
SEK	14.26	1155.73
	48.00	23,116.64

\* Net of receivables - US Dollar 0.23 Million - ₹ 148.26 Lakhs (Previous Year USD 0.35 Mn - ₹ 224.82 Lakhs)

**Note 59 GOVERNMENT GRANT**

Company had availed Interest Free Loan under Sales Tax Deferment Scheme from State Government of Karnataka which is repayable in 10 yearly instalments. Such sales tax deferment was recorded at historical cost till year ended March 2017. During the year, considering the recommendation given in Ind As Transition Facilitation Group ("ITGF") bulletin 12, Company had changed the policy to account for the same at Fair Value as required under Ind AS 20 – Government Grant. The difference in fair value and book value is accounted for as Government Grant to be apportioned over the balance deferral period. Impact of change in accounting policy is as under:

Particulars	₹ Lakhs
Impact for year 2015-16 and 2016-17 recorded in "Retained earning"	293.46
Revised Sales Tax Loan Balance under Borrowings	10,196.14
Recognition of Deferred Grant under Non-current Liability	4,968.39
Government Grant income recognised during the year 2017-18	621.05
Interest cost recorded under Finance Cost during the year 2017-18	722.48

**Note 60** Previous year's figures have been regrouped and reclassified wherever necessary

As per our Report of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

**Nikhil Singhi**

Partner

M.No. 061567

Place: Kolkata

Date: 21st May 2018

**S. K. Bangur**

Chairman & Managing Director

**Saurabh Bangur**

Vice Chairman

**Rajendra Jain**

Executive Director

**Shashi Bangur**

**Lt. Gen. (Retd) Utpal Bhattacharya**

**Amitav Kothari**

**Sudarshan Somani**

Directors

**Brajmohan Prasad**

Company Secretary



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